





## OVERSEAS NEWS

## Nigeria oil billions 'missing'

BY OUR FOREIGN STAFF

THE NIGERIAN Head of State, President Shehu Shagari, is believed to have personally assumed control of the State oil company, the Nigerian National Petroleum Corporation (NNPC), after suspending all its top officials. The action follows Senate allegations that Naira 2.8bn (\$4.6bn) of corporation revenues went "missing".

The NNPC has a 55-60 per cent stake in all foreign oil operations in the country. Members of a special judicial enquiry were sworn in yesterday to look into the scandal allegations, Lagos Radio said.

The five-man panel, sworn-in by the Nigerian Chief Justice

will report to the Federal Government within 60 days.

The alleged scandal surfaced late last month when Dr. Oluwole Saraki, the Senate leader, stated that a sum of N2.8bn had been traced to a private London bank account. He said the money was later transferred back to the oil corporation's own London account in an attempted cover-up.

Dr. Saraki said the affair was discovered when Parliament checked the corporation's accounts for the first time since 1973. Mr. Oke Hali, the NNPC chairman, has publicly denied that any money is missing.

The suspensions are understood to stem from a recent

audit of NNPC by a Nigerian affiliate of Coopers and Lybrand international, the accounting concern, which showed that several billion dollars apparently had not been recorded through the end of 1977.

The audit was one of several ordered by Nigeria's former military rulers before handing control of the country to an elected civilian government last October.

The NNPC showed the books had been kept on a cash basis and that no records existed of substantial transactions known to have taken place between the company and several big foreign oil concerns.

Last September, Mr. Festus Marinho, then NNPC chairman,

ordered his own investigation into the matter once the results of the audit came to his attention. Subsequently, however, he was removed as chairman and appointed managing director. Yesterday he was suspended from that position.

Among the others suspended were the members of NNPC's Board of directors as well as the new chairman, Mr. A. F. Hart, who recently had been the chief Nigerian delegate to the Organisation of Petroleum Exporting Countries (OPEC).

Nigeria produces around 2.2m barrels a day of a high-quality light crude oil. It is the U.S.'s second-largest crude oil supplier after Saudi Arabia.



Mr. Martens asked to try again

## Martens to head new coalition

By John Wyles in Brussels

THE COMPLEX process of Government making in Belgium moved into a new phase yesterday when Mr. Wilfried Martens, the caretaker Prime Minister, began talks aimed at forming a new broadly-based coalition.

King Baudouin's decision to commission Mr. Martens as "formateur" of an administration followed his receipt of a report from Mr. Willy Claes, Economics Minister in the Martens Government which fell earlier this month, that there was a reasonable chance of agreement among the main political parties on a programme around which a Government could be set up.

Between now and May 9, Mr. Martens will attempt to win support among the leaders of both the French and the Flemish wings of the Social Christian and Socialist parties as well as of the right-wing Liberals who were excluded from his previous Government.

Essentially, Mr. Martens will be seeking backing for economic and social measures aimed at cutting public spending and revitalising the economy. Action in this field is one of the Liberals' main priorities but the other parties are much more concerned with the political divide between French and Flemish speakers.

This means that a reorganisation of the constitution based on regional devolution looks likely to be at the top of the agenda as it was for the previous Martens Government. That fell following a revolt against constitutional reform plans by militants in Mr. Martens' Flemish Social Christian Party.

## Suarez in talks on Spanish Cabinet shuffle

By Robert Graham in Madrid

SPAIN'S Prime Minister, Sr. Adolfo Suarez, has been holding intensive consultations over the past ten days before reshuffling his cabinet.

But he is still reported to be undecided about the charges, and no decision is expected until after the weekend.

The present Government was formed a year ago. In January, a minor reshuffle was provoked by the resignation of Sr. Manuel Clavero Arevalo, Culture Minister, over Andalusian autonomy.

Sr. Suarez has decided on a reshuffle in an effort to recoup some of the political ground lost in the three recent autonomy polls in Andalusia, Basque country, and Catalonia.

He prefers to do this rather than move a vote of confidence in Parliament, an initiative considered after his Union de Centro Democrático party was badly battered in the Basque and Catalan parliamentary elections, in March.

The reshuffle is expected to give a new look to regional policy and to strengthen the structure and morale of the UCD.

But UCD politicians say that what was intended as a minor reshuffle has become more complex.

## Anderson says he will be third party candidate

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

MR. JOHN ANDERSON has given a clear indication that he intends to run as an independent candidate in the Presidential election in November.

In a series of interviews with American newspapers published yesterday, the Liberal Republican Congressman from Illinois said he expected formally to announce his bid in Washington sometime next week.

Mr. Anderson has so far failed to win a Republican primary election this year, though he has done well in a handful of states and has proved to be the surprise of the primary season.

He said he was disturbed at the pacity of choice (President Carter or Mr. Ronald Reagan) confronting the American public in November and feels that the country would at present best be served by some form of

non-partisan Government of national unit.

From a practical standpoint, running an independent candidacy is no easy matter. Filing deadlines for such a candidacy have already passed in half a dozen states, while he would not be entitled to the federal funding—\$25m apiece—available to the major party standard bearers.

Mr. Anderson may still change his mind in the next few days, and it could be that he is signalling his intentions so clearly to elicit comment from people whose advice he trusts.

Third party candidacies have a dismal record of success. But in a tight race they are capable of tipping the balance.

In a three-cornered contest, Mr. Anderson would command about 15 per cent of the electorate. If the election were held now, compared with 42 per cent for President Carter and 35 per cent for Mr. Reagan. With Mr. Anderson out of the race, the President is given a 51 to 42 per cent lead.

Raymond Whitaker adds from New York: Tentative agreement has been reached between the United Auto Workers Union and International Harvester, the big mid-Western agricultural equipment and truck manufacturer, to end a 54-months strike by 35,000 employees in nine states—the longest in the union's history. The agreement, reached late on Thursday, still has to be ratified by the workforce.

## U.S. economy grows by 1.1%

BY OUR U.S. EDITOR

THE U.S. economy grew in real terms by 1.1 per cent in the first quarter of this year, the Commerce Department reported yesterday.

This was the consequence of the much sharper rate of growth in the first two months of the period, before, under prodigious from the Carter Administration, the economy clearly began to run out of steam.

President Carter admitted at his Press conference on Thursday that the U.S. was probably now in the midst of an economic recession.

The 1.1 per cent advance in gross national product—the output of all the nation's goods

and services—compares with 2 per cent and 3.1 per cent growth in the last two quarters of 1979 respectively.

The classical definition of a recession is two consecutive quarters of actual contraction in economic activity. Mr. Carter predicted on Thursday that the recession would be both "mild and short" but his analysis is not accepted by all.

As was only to be expected, the rate of inflation worsened in the first quarter. Prices, as measured by the GNP implicit price deflator rose at an annual rate of 9.5 per cent in the first three months, compared with 8.4 per cent in the previous quarter. Another measurement,

the GNP fixed-weighted price index, recorded an 11.4 per cent advance, well up on the 9.4 per cent of the final quarter of last year.

Both these calculations are more broadly based than the hypersensitive consumer price index, which has been going up at an annual rate of about 18 per cent so far this year.

The principal reason for reduced growth in the first quarter was the cutback in construction and the slowdown in the advance of consumer spending. Final sales in the period only went up by 1.5 per cent against 3.6 per cent in the last three months of 1979.

## Threat to Tokyo's oil supplies

BY OUR FAR EAST EDITOR IN TOKYO

IRAN has told Japanese oil importers that its demand for a \$2.50 per barrel price increase is non-negotiable. It has also demanded that importers revise letters of credit to take account of the new price, and threatened to cut off shipments if they fail to comply.

Japanese companies, which between them import 520,000 barrels per day (b/d) of Iranian oil under direct deal contracts, initially said that the price increase was "unacceptable". Representatives from some major trading companies have visited Tehran this week to discuss the demand, but were told that Iran's Revolutionary Council had decided on the price increase and would not reconsider it. A second group of Japanese oil importers are due to visit Tehran next week, but hopes of progress are not high.



Unlike British Petroleum, which ceased taking delivery of Iranian oil after April 1 (the date on which the new Iranian price took effect), Japanese oil importers are continuing to purchase oil. One importer yesterday described the BP decision as "wise," but went on

to say that it would have been impossible for Japan to emulate it.

Suspension of Japan's imports of Iranian oil would force importers into the spot market. This in turn would force up prices, the companies claim.

Japanese oil importers say that Iran is within its contractual rights in demanding a price increase. The "blackening" of the Ministry of International Trade and Industry has been claimed for the original decision by Japanese importers not to accept the Iranian demand. But it now appears that MITI is declining to issue fresh instructions on how to deal with Iran. A firm guideline from MITI on the price question would risk violating Japan's anti-monopoly laws which prohibit price cartels.

## India asked to help fill gap caused by embargo

BY K. K. SHARMA IN NEW DELHI

INDIA is among the major Third World countries asked by Iran to fill the gap in supplies that will result from the U.S. decision to impose economic sanctions. Among the goods Iran wants to buy to build up a stockpile are eggs, meat, edible oil, rice, soap and other scarce consumer goods.

The Indian Government has been told that Iran has decided to diversify its foreign trade, and that it hopes to make substantial purchases from India, Third World countries and in the East European block.

There is no bar on Indian companies trading with Iran, and a number of inquiries have come from Tehran in the past few weeks. Apart from consumer goods, Iran is also interested in machinery and

equipment, chemicals, textiles, diesel engines, electrical goods and accessories and components of various kinds.

India has a serious adverse trade balance with Iran, mainly because of its heavy imports of crude and petroleum products.

So far, there is no pressure from the U.S. on the Indian Government to avoid trade with Iran. Nor is any expected. India would find it hard to resist the temptation to increase exports to Iran.

Reuter adds from New Delhi: Iraq has offered India a \$100m interest-free loan to meet the increased cost of oil imports. Iraq will be India's primary supplier of crude oil in 1980, supplying 8m tonnes of a projected import total of 18m.

## Sanctions 'will hurt economy'

By Simon Henderson in Tehran

A CONFIDENTIAL U.S. State Department analysis of the possible effect of sanctions on Iran says that the performance of the Iranian economy could seriously undermine the Islamic revolution. The document also says the U.S. hostage crisis is costing Iran heavily.

The majority of Western diplomats in Tehran, however, are thought to disapprove of further sanctions against Iran because of the little economic effect they will have and their uncertain political impact.

The latest of President Carter's sanctions have met with little reaction in Iran. President Bani Sadr commented after the Voluntary Council met yesterday: "We must prepare ourselves to resist."

## Japan reports £6bn trade deficit

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN registered a \$13.9bn (about £6.3bn) deficit on overseas current account in the 12 months ending last March, easily the largest in its history. \$11.9bn surplus in the previous fiscal year ending in March 1979.

Figures released by the Ministry of Finance yesterday make it clear that the increase in world oil prices, coupled with a sharp depreciation of the yen, were the main causes of the deficit.

Japan's oil bill rose by 90 per cent, in yen terms, during the year, and it accounted for 33.3 per cent of total imports (28.8 per cent in the previous year).

The overall increase in exports was 41 per cent, in dollar terms, whereas exports rose only 8 per cent. Japan's normally handsome visible trade surplus (\$20bn in 1979)

was transformed into a \$2.45bn deficit as a result of these unfavourable trends.

A further substantial deficit on invisibles contributed to the overall current account deficit of \$13.9bn.

Figures for March alone, also published yesterday, make it clear Japan is still not past the worst as far as its payments problems are concerned.

The current account deficit for the month, at \$1.22bn, was a slight improvement on the previous month's figure. Seasonally-adjusted figures, however, show a decline in export performance from the February level, and a further rise in imports.

Exports are believed to have begun falling in reaction to the abnormal conditions of January and February, when the Japanese motor industry was "rushing" overseas shipments.

Steel exports were also at high levels in the first two months of the year. In both cases, Japanese exporters were reacting to fears of import barriers in the U.S.

Japan's long-term capital account, which showed a surplus in January and February, swung back into deficit in March, apparently reflecting bearish views of foreign investors about the short-term outlook for the yen.

In the early part of the year, foreign purchases of "genuine" bonds sold with a repurchase agreement—reached high levels. But many purchasing contracts were apparently not renewed in March.

Japan's international balance of payments is expected to start showing signs of improvement from mid-summer onwards, if crude oil prices remain at roughly their present levels.

## Demirel fails to oust bank governor

By Metin Muzir in Ankara

A MOVE by the Turkish Government to create a new Central Bank executive board preparatory to replacing the bank's governor, has been defeated in an Ankara court.

The Government intended to take the opportunity of the bank's general assembly at the end of the month to change the six-member executive board. The new board would have then been asked to sack Mr. Ismail Hakki Aydinoglu, who has been the bank's governor since 1978, officials said.

Mr. Aydinoglu and the board resisted the Finance Ministry's motion, citing the law which stipulates that only two of the six executive board members come up for re-election each year. The Ministry then took its case to a court which ruled against it.

Mr. Suleyman Demirel, the Prime Minister, wants to drop Mr. Aydinoglu because he was appointed by his predecessor, Mr. Bulent Ecevit.

## Gandhi-Zia meeting in Salisbury 'inconclusive'

SALISBURY—India's Prime Minister, Mrs. Indira Gandhi, and Pakistan's President, General Zia-ul-Haq, held their first meeting in the Zimbabwe capital yesterday but their talks on the Soviet intervention in Afghanistan appeared to have been inconclusive.

"There is nothing more to be said (about Afghanistan)," Mrs. Gandhi told reporters after a 55-minute meeting in the hotel where the two leaders are staying for Zimbabwe's independence celebrations. "The common factor is that we want it solved," she added.

President Zia indicated before the talks that he would ask Mrs. Gandhi to use her good offices with the Kremlin to persuade the Russians to withdraw from Afghanistan.

Gen. Zia said the meeting had "contributed towards a better relationship between India and Pakistan."

Indian officials said Mrs. Gandhi herself from the United States over the Afghanistan crisis so as to be able to adopt a regional approach to the issue

without super-power involvement. But Gen. Zia gave no indication that he had been persuaded to do so.

Mrs. Gandhi was asked how she felt about the possibility of U.S. military aid being supplied to Pakistan. "We do not have a headline position on that," she said.

Both leaders said they expected to meet again in the future.

Earlier yesterday two people were killed in grenade attacks and prisoners staged a mass break-out from Salisbury prison only hours after the ceremonies marking Zimbabwe's independence.

Police said that at least 60 black remand prisoners in Salisbury central prison broke out of the jail early yesterday. Police used patrol cars and spotter planes to comb the city.

In the capital's Mabvuku township, police said, two people were killed and 30 injured in three grenade attacks in the early hours.

## Civilians killed in Israeli raid on Lebanon

BY IHSAN HIJAZI IN BEIRUT AND DAVID LENNON IN TEL AVIV

SEABORNE ISRAELI troops attacked Palestinian positions along the southern Lebanese coast early yesterday in a delayed retaliation to a guerrilla raid 10 days ago against the Israeli kibbutz of Misgav Am on the border with Lebanon. As many as 12 people were killed in the Israeli assault, half of whom were civilians who were buried under the debris of two houses blown up by the troops before they withdrew.

Mr. Menachem Begin, the Israeli Prime Minister, said on his return yesterday from Washington that Israel had in-

formation that the guerrillas were planning further raids like that on Misgav Am.

The main target of the attack was Abouin, a small village next to the fishing port of Sarafand, located between Sidon and Tyre. The Israelis arrived in rubber dinghies that were put ashore by helicopter-carrying gunboats and according to eye witnesses, fierce fighting developed with the guerrillas at Adajoun and Sarafand. The Israelis have admitted to two of their soldiers being wounded.

Helicopter gunships sprayed the area with machine gun fire as the troops withdrew. Later,

the gunboats shelled Sarafand and Adouin.

Government circles in Beirut now fear the Israeli-Palestinian war of attrition that had raged until a year ago may be resumed and expect more Israeli military action. That could lead to escalating guerrilla operations.

A ceasefire in August last year put an end to guerrilla raids and Israeli retaliation but a week ago, following the raid on the kibbutz, an Israeli armoured brigade set up positions for a few days inside the Lebanese enclave controlled by Israeli-backed Christian militias and not far from where the UN

peace-keeping force maintained its own outposts.

Mr. Gegin, referring to talks in Washington with President Jimmy Carter about Palestinian autonomy, offered little hope that any substantial progress can be expected during the intensified negotiations, due to start in 10 days.

The Premier said he had forcefully reiterated Israel's position of offering only limited autonomy to the Palestinians of the occupied West Bank and Gaza Strip. Egypt and the U.S. have already rejected this Israeli concept of autonomy.

## The rush to Rhodesia

Who'll be first?  
With France, West Germany and Japan vying with the United Kingdom for Rhodesian business (they want to spend £2 billion in the next five years according to Financial Times reports), the question is—who gets there first?

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Colina McDougall sees culture shock and a key to China's future  
The West queues to enter Shanghai

THE WORLD offers few culture shocks like that awaiting someone from Britain arriving in Shanghai. The drive from the airport to the heart of this great Chinese city is lined with villas, many mock-Tudor, which look as if an unseen hand had plucked them from Weybridge or Esher and set them down on the China coast.

Most amazing of all is the former Sassoon mansion with its pseudo-baronial hall, now inhabited by British Petroleum engineers. Shabby though most others are, they powerfully evoke the Western commercial strength and free-wheeling values which once dominated the city.

Architecturally time has stood still in Shanghai since 1939. Like a fly in amber, inner Shanghai is a perfectly preserved period piece. The famous Bund, with its towers and domes and opulent facades, breathes the commercial spirit of that time. China's poverty, however cruel for its people, has saved the city centre from the ravages of faceless modern

building.

This humming seaport with its 1m inhabitants is a major key to China's future. Already it handles a third of the country's foreign trade and produces a sixth by value of all China's manufactures. Many of China's intellectuals come from Shanghai. The workforce is the most skilled in China, its bureaucrats the most worldly.

Now the West is on its way back. Already the U.S. and Japan have opened consulates in princely villas along a prominent thoroughfare. The French, West Germans, Italians, Romanians, Yugoslavs and Poles are in the queue. The British seem unlikely to join in at a time when they are closing consulates elsewhere, and in any case the question of the old consulate closed in the Cultural Revolution is not yet fully settled. But if business multiplies, they may have to.

British business, which once ruled the commercial life of Shanghai, has maintained a presence since 1949 in the form of branches of the Hong Kong

Chartered Bank, now discreetly housed in an ancient block with a creaking lift in a side road. The magnificent interior of the old Hong Kong building on the Bund, now municipal offices, is said to be lovingly maintained by the Chinese.

The banks may expand into a new building as their business grows in the wake of Chinese moves to attract foreign investment. With their strength in Hong Kong, where there are a 1m Shanghai Chinese, they may have a special role to play as middle-men.

Shanghai now has its own foreign investment corporation independent of Peking. Already the West German firm Bosch is advertising a low-cost housing project for overseas Chinese in the Shanghai Press. Surprisingly sophisticated manufacture and assembly deals, like the arrangement by McDonnell Douglas to buy aircraft parts from a Shanghai aircraft factory, are on the increase.

Shanghai has great prospects for the future. There is a town

plan under discussion, in which industry will be moved out of the centre and residential areas will be improved. Shanghai people already live better than anyone else in China, and the expected inflow of foreign money will widen the gap.

It is not difficult to imagine the growth of a new and thriving international community, in which the local people might mix more freely than they do elsewhere in China. Shanghai now has a few rehabilitated millionaires who socialise occasionally with resident foreigners.

But the unfettered capitalism of the past is unlikely to reappear as the paint brushed come out to refurbish the elegant villas. Shanghai, after all, the scene of the foundation of the Chinese Communist Party in the 1920s. No doubt, though, that the city could play a crucial role as a melting pot for new ideas.

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## UK NEWS

## Belvoir scheme 'frailties' attacked

THERE WAS a "wholly unexplained gap" in the National Coal Board's case for mining the E of Belvoir, said Sir Frank Layfield, QC, yesterday.

In his final submission for Leicestershire County Council on the 80th day of the public inquiry at Stock Rochford Hall, Lincolnshire, Sir Frank criticised both the Coal Board and the Energy Department for not producing projections on future wage demands from miners. He said this was of central importance when considering the need to mine Belvoir coal.

Sir Frank predicted that the cost of coal would continue to follow "reasonably closely" behind oil prices to the turn of the century. He said another frailty in the Coal Board case was its reliance on Energy Department projections for economic growth at the rate of 2.7 per cent per annum for the rest of this century. This, he said, was not realistic.

He said trends outlined by Leicestershire's expert witness, Prof. Colin Robinson, earlier in the inquiry, had since been proved correct by the announcement of electricity and coal price rises.

Sir Frank said the Central Electricity Generating Board saw imported coal playing an important role in its short and long term supplies. "The cost to the taxpayer of opening up this coalfield is to be based on a market which is sharply declining."

Leicestershire County Council remained wholly opposed to the mining application.

The inquiry resumes on Monday, when Mr. Robert Alexander, QC, will begin his closing submission for the Coal Board.

## Government policy hits engineers

By Andrew Taylor

CIVIL ENGINEERS face increasing pressure from the Government's determination to negotiate fixed-price contracts when cost rises steeply, according to Mr. Ted Ramage, vice-president of the Federation of Civil Engineering Contractors.

"Increasingly, Government departments are letting work on a fixed price basis by squeezing contractors into a 12-month period," Mr. Ramage told the federation's south-western section.

Contractors faced by either not working or tendering for jobs at prices which meant they would probably lose money because of sharply rising costs, particularly oil.

More and more small companies could be forced out of business because of Government policy of keen competition, said Mr. Ramage.

"Keen competition is one thing, fair competition is something rather different."

## CONTRACTS

## STC's £13m orders for pushbutton telephones

AUSTIN HALL, a Pentos company, has won a contract worth almost £500,000 to build administrative offices in a single storey complex at Torness, Dunbar, Scotland. Austin Hall will complete the buildings, which incorporate complex mechanical and electrical installations, in an 18-week programme, with commencement scheduled in April, to enable SSEB staff to utilise the administration block for their supervision of the construction of the new Torness power station.

Berkshire County Council has let a contract for £300,000 of office furniture for its new headquarters building in Reading to PROJECT OFFICE FURNITURE.

FUGRO has been appointed a consultant to the British Gas Corporation for a geotechnical survey of the Rough gas field area in the southern North Sea, at an estimated cost of £300,000. The work is in connection with the proposed conversion of the field for gas storage.

RACAL-MILGO has won orders worth a total of £100,000 for its data communications equipment from Scottish Equitable Life Assurance and Carr-Sebag. Scottish Equitable Life Assurance will be using micro-processor-controlled modems, together with a modem sharing

device in a network linking its UK main branch offices. Carr-Sebag is investing in data communications systems for the transmission of Stock Exchange information.

STANDARD TELEPHONES AND CABLES (STC) has received orders from the Post Office for pushbutton telephones and receiver and transmitter capsules totalling more than £13m.

They include a contract worth more than £7m for STC Quiksnap Desktopphones. STC is also supplying P.O. type 756 phones, the pushbutton version of the standard rotary dial 756 phones.

The Post Office has placed a major order for area-wide pocket paging receivers with MULTITONE. The contract, which is for high-speed digital receivers, is worth around £2m. Delivery of the receivers, which will be used to meet the requirements of the steadily growing number of subscribers to the Post Office's radiopaging service, will be completed by March, 1981.

PLESSEY has secured a £750,000 contract from Shell UK Exploration and Production for a communications system for the Leman and Indefatigable gas fields, and the Banton on-shore terminal.

## CASH LIMITS AND RATES

BY ROBIN PAULEY

## Councils make allowances

RATEPAYERS in the majority of local authorities in England and Wales are unlikely to face any supplementary rate demands this year.

Although local councils appear, on the face of it, to be short of cash to meet forthcoming wage demands, most have already set aside sufficient funds to meet the wages bill.

The Government in setting the rate support grants for 1980-81 allowed £1.57bn for wage and price inflation.

This, based upon a 61 per cent grant, assumed local authorities would actually need to spend an extra £2.58bn because of pay and price inflation between April 1980 and March 1981.

In this allowance for pay and price inflation the figures appear to allow about £740m to cover wage increases in the current pay round.

Every 1 per cent increase in the local authority wages bill in the current financial year will add about £100m to wage costs. If wage increases average 16 per cent the wages bill will rise £1.6bn—£280m more than the Government estimates provided for.

But local authority treasurers are naturally cautious and most will not have accepted at face value the Government's claim that it allowed "adequate and realistic" amounts for wage settlements.

## Barrister accused of fraud

A BARRISTER helped a company director commit a £278,000 fraud involving selling Rolls-Royce cars to overseas clients, an Old Bailey jury heard yesterday.

Claims by the director that he had been closely connected with the Rolls-Royce company and had special contacts with the UN, and professional expertise by the barrister, enabled the fraud to succeed, said Mr. William Thomas, prosecuting.

Brian Scotney Russell, 61, of Verulam Buildings, Gray's Inn, Holborn, the barrister, appeared in the dock with Michael Lewis Bushell, 38, company director, of Charles Street, Mayfair.

Patrick David Hickey, 41, also a company director, of Newcastle, Co. Dublin, Irish Republic, faced one charge in an indictment of eight charges covering the period May 1975, to January 1978.

Bushell and Russell together were charged with attempting to obtain money by deception in connection with supply of British Leyland Range Rovers. They also denied six charges relating to the selling of Rolls-Royce cars.

Bushell and Hickey pleaded not guilty to a conspiracy to defraud, in connection with supply of Bedford Trucks. The trial, expected to last two months, was adjourned until Monday.

## Bond limit up

FROM MONDAY the maximum permitted Premium Savings Bonds holding will be increased from £3,000 to £10,000, as announced in the Budget.

Under the new prize structure from July, top prize of £250,000 will be drawn by Ernie each month. The total monthly prize fund will go up from £6.5m to about £8m.

They will have advised councils to allow extra provision for both comparability and pay and price inflation when fixing rates earlier this year.

In most cases this advice will have been taken, providing some cushion against the theoretical shortfall, although there are no figures available yet to indicate just how much provision has been made within the total rate income of about £280 for 1980-81.

In addition, most local authorities have some balances and various other amounts of money secreted away for contingencies.

In recent years, balances have been considerably depleted by inflation and raids to minimise rate rises, nevertheless many authorities still hold balances above the generally accepted safe minimum of 5 per cent of annual expenditure.

Mr. Michael Heseltine, Environment Secretary, has told authorities there will not, under any circumstances, be any more money from the Government.

He has also told them that if there is any shortfall in cash it could be found if the present near-record levels of local authority manpower were reduced.

But it is not that simple. Administration accounts for only 3 to 4 per cent of total local authority manpower—currently about 2m people.

Total manpower costs, including overheads at November 1979 prices, were about £10bn. Updated to 1980-81 prices, including a comparability factor, manpower costs are about £12.5bn.

A 1 per cent reduction across the board would save, therefore, about £125m over the year. But that money would not be available this year as the reduction would occur unevenly.

In addition, a 1 per cent cut across the board would require cuts of more than 1 per cent in some areas to compensate for increases expected in others.

PAY AWARDS REMAINING TO BE SETTLED IN 1980-81

Category	Effective	1980-81 costs about	£m
Teachers	April 1 1980	1% rise in 1980-81 costs about	47
APT and C	July 1 1980	1% rise in 1980-81 costs about	23
Manuels	November	1% rise in 1980-81 costs about	11
Fire service	November	1% rise in 1980-81 costs about	4
Police	September	1% rise in 1980-81 costs about	5

Total cost of 1 per cent rise in local authority wage bill in 1980-81 100

Fire and police service apportioned to be index linked. Police pay is outside cash limits but within global figures for local government spending used here.

Allowance for additional associated costs: 10

AMOUNT AVAILABLE FOR PAY AWARDS

Category	1980-81 costs about	£m
Increase in spending as a result of pay and price increases paid in full in 1980-81	2,577	

Subtract pay awards already agreed and to be met from cash limits:

Association of Professional Technical and Clerical staff 13.1 per cent comparability award plus chief officers and chief executives award 325

Manual workers 1979 award 290

Estimate of Clegg award for teachers in England and Wales in 1980-81 572

Likely effect of, say, 15 per cent inflation in goods and services also allowing for some cut in services 650

740

1,337

## Disposal of British Steel assets expected soon

BY ROY HODSON

THE BRITISH STEEL Corporation is expected to sell some of its subsidiary activities soon. Purchase of part of British Steel Chemicals — turnover £22m a year — by private sector interests may be the first deal announced.

Impetus is being given to the British Steel policy of hiving off assets in Britain and overseas by either outright sale or partnership with private enterprise.

The Government has promised ready approval. Sir Keith Joseph, Industry Secretary, has encouraged British Steel to try to minimise losses by selling assets. Well over £100m may be raised by deals in prospect.

The British Steel Board is anxious to generate capital to help offset losses approaching £450m in the financial year just ended. The three month steel strike added £150m to losses already near record levels.

Several negotiations with prospective buyers, effectively put into cold storage during the strike, are being reopened.

They include selling the major interests of British Steel Chemicals, which was heading for £12m profit in 1979-80 before the strike; the probable outright sales of the engineering,

construction and bridge-building subsidiary Redpath Dorman Long; a partnership deal with GKN to rationalise rod and bar making in Britain, the sale of substantial parts of British Steel's overseas interests in steelmaking, engineering and marketing of steel products.

The proposed joint venture with GKN is likely to be handled by forming a new company. The two producers together own more than 1m tonnes a year of modern rod and bar production capacity in Britain.

Recent market analyses indicate a substantial proportion ought to be closed if an efficient production company is to be created matched to market needs.

The choice facing GKN and British Steel is to cut production at the two main rod and bar mills at Scunthorpe (British Steel) and Cardiff (GKN), or close one mill.

Talks with prospective British Steel Chemicals buyers were disrupted during the strike because steelwork supplies of benzol for refining ceased, halting parts of the chemicals business.

British Steel hopes to sell the tar and benzol refining side and retain the carbonisation side.

Sir Charles Villiers, British Steel chairman, is encouraging international discussions aimed at disposing of some of British Steel's foreign assets to raise up to £100m in the next year. The overseas holdings have book value of £145m, but would be worth far more on the open market. They include a wide-spread of activities in mining, steelmaking, engineering and marketing worldwide.

Talks are understood to have concerned Australia, New Zealand or Indian holdings.

GLC mortgage rate may rise

THE GREATER LONDON Council will consider a recommendation to raise its mortgage rate from 11 1/2 to 13 per cent when the policy and resources committee meets on Tuesday.

The council raised its mortgage for the first time in three years by 1 per cent in January.

Mr. Richard Brew, leader of the Conservative-controlled council's policy and resources committee, said the 1 1/2 per cent rise would add £2.50 a week after tax to the cost of a £15,000 mortgage.

## Trident Life are pleased to announce another year of remarkable growth

The year to 31st March 1980 was easily Trident Life's most successful to date. It continues the pattern of strong expansion seen in previous years. Achievement was on all fronts, as the following figures (to 31st March each year) clearly show.

Figs. in millions



**Single Premium Sales**  
up 99%

1980	£28.2
1979	£14.2
1978	£12.8
1977	£8.5



**Annual Premium Sales**  
up 62%

1980	£5.7
1979	£3.5
1978	£2.3
1977	£1.8



**Total Premium Income**  
up 78%

1980	£36.6
1979	£20.9
1978	£18.5
1977	£10.0



**Life Fund**  
up 24%

1980	£84.6
1979	£67.8
1978	£55.4
1977	£45.2

## and the future?

On 16th April 1980, an agreement was reached for Trident Life to become a part of General Reinsurance Corporation. 'General Re' is the largest reinsurance corporation in the United States and one of the largest in the world with assets in excess of £1,000,000,000.

Mr. Frank Noyes, Deputy Chairman of Trident Life, stated:

"We are excited at becoming a part of, and at working with, one of the insurance world's leading companies. The greater financial strength which it will give our company cannot fail to benefit our policyholders, our brokers, our sales and administrative staff."

Trident Life Assurance Company Limited, London Road, Gloucester GL1 3LE. Telephone: Gloucester (0452) 36541.



## UK NEWS

# Government may accept secret ballot amendment

BY ELINOR GOODMAN

COMPANIES may be required in future to provide unions with facilities to hold a secret ballot at their place of work. The Government is considering accepting such an amendment to the Employment Bill, now going through the House of Commons.

Mr. James Prior, Employment Secretary, is believed to favour the idea in principle and the Employment Department is considering whether it would work in practice.

The amendment has strong backing of the Confederation of British Industry, which discussed it at its March council meeting.

It will be put down at the Bill's committee stage in the Lords by Lord Robens, a CBI council member.

Those in favour of the amendment say it would complement the Bill's provisions dealing with secret ballots. The Bill will provide Government funds for postal ballots, but makes no specific provision for secret ballots on the factory floor, although most reasonable employers would probably co-operate.

In some circumstances, it is argued, secret ballots on the premises could be quicker at getting a decision than postal

ballots and might get a higher turnout from workers.

Secret ballots have long been an article of faith in some sections of the Tory Party. Many Conservative backbenchers believe the Bill does not go far enough, as it does not make them compulsory in any circumstances.

On Thursday night 35 Conservative MPs insisted on pressing their own amendment to the Government Bill on union immunities and some seem set to press another amendment next week. This would make secret ballots compulsory if 15 per cent of the workforce wanted them.

Mr. Prior will probably try to head off the revolt by saying it would be better to see how voluntary provisions work first.

Mr. Len Murray, TUC general secretary, said yesterday the Employment Bill lays down the new principles that workers who go on strike are automatically wrong and employers are never wrong enough to provoke a strike.

Mr. Murray told the annual conference of the Association of Professional, Executive, Clerical and Computer Staff in Scarborough that this meant strikers would be much more in the wrong than the most vicious criminal.

## Door import curb sought

FINANCIAL TIMES REPORTER

BRITISH WOODWORKERS have been invited to discuss their request for anti-dumping action against imports of Taiwan-made doors with the European Commission.

The British Woodworking Federation pressed for action because it believed imports were threatening to disrupt a market worth £250m to £300m a year.

Last year imports of Taiwan doors totalled 639,000, compared with 390,000 in 1978. The federation said this growth had been fuelled by import prices about 20 per cent below "realistic cost."

UK door sales number about 10.5m, of which imports comprise about 1.8m. Mr. Peter Sheppcott, director of the federation, said yesterday imports would soon exceed 20 per cent.

Mr. Sheppcott said that in the first two months of this year the imports from Taiwan had declined, compared with the same period last year. He said this might have been because of Taiwanese concern not to provoke anti-dumping action.

These federation visits Brussels for preliminary talks at the end of this month. It will call for counter-vailing duties to be imposed.

# Coal grants to end by 1983

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE Government is to phase out most of its grants to the National Coal Board by 1983/84. But the Board is to be given a more flexible system of borrowing capital under new legislation designed to put the industry on a "sound financial footing."

These are the main elements of a coal industry Bill introduced in Parliament yesterday. It gives strong Government backing to the Board's major expansion programme, which involves capital expenditure of £600m a year and is expected to boost production to 135m tonnes before the end of the decade.

But the Government expects the investment to cause a sharply improved financial performance, so that the Board can break even without undue reliance on Government grants, which totalled £255m in 1979/80.

Mr. John Moore, the junior Energy Minister responsible for coal, said the Bill provided "a framework within which the NCB can put the industry on a sound financial footing within the next three years."

Under a more flexible loans system, the Board will be allowed to defer interest payments on many of its new capital borrowings until the projects concerned are starting to show a return. The Bill increases the Board's overall borrowing powers from £220m to £240m and extends the scope of grants to miners moving from old pits to long-life ones.

The Government will continue to pay grants to the Board for social purposes, which were worth over \$60m last year, but it intends to phase out other grants. These will fall from £135m (at 1978-79 prices) this financial year to £109m next

and £28m in 1982-83. "By 1983-84 the NCB will be expected to break even after interest and social grants. Thereafter it should be able to go into profit," said Mr. Moore.

An improved NCB performance forms an important part of the Government's plan to turn the nationalised industries from net borrowers of £2.3bn in 1978-79 to net repayers to Government of £400m in 1983-84. MPs on both sides of the house have expressed scepticism about this target.

The board yesterday welcomed the Bill's support for its expansion programme and said the deferred interest proposal was particularly helpful. But it said the Bill would further reduce grants which were already substantially lower than those received by other European producers.

Nor is the board expected to

welcome the Government's plan to consolidate grants into one deficit figure, designed to show how far the board is from breaking even.

It was stressed in Whitehall yesterday that no new pit closure plan accompanies the Bill. But the Board will have to re-examine its heaviest loss-making collieries in the light of its new financial targets.

Deferral of interest on capital loans is likely to involve between a third and a half of the Board's annual borrowings. It will not provide relief on the existing interest burden, which will be more than £200m this year.

Mr. Moore said yesterday that deferred interest was not intended as a soft option or concealed subsidy. Projects would be expected, over their whole life, to pay just as much in interest as if they had been financed normally.

## Confidentiality vital to task of Press, says QC

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE ABILITY of the Press and television to keep people informed on matters of public importance would be impaired if Granada Television was compelled to name the person who leaked confidential documents of the British Steel Corporation, a QC said in the Court of Appeal yesterday.

The traditional function of the news media was to find out the truth, so as to promote sound government and administration, said Mr. Alexander Irvine. The courts had in the past recognised that freedom and effectiveness of the media to do that was in the public interest.

"The flow of information to the media in general, and the investigative Press in particular, is dependent to a very great extent upon sources. It is in this way that information which the public has a legitimate interest to know, but which is kept from it by those who prefer to conduct their affairs in private, is very often brought to public attention for the first time."

Mr. Irvine was opening Granada's appeal against the ruling of the Vice-Chancellor, Sir Robert Megarry, that it must

name the "person or persons" who gave the BSC documents. The order has been stayed pending the appeal.

The documents formed the basis of a World in Action programme on February 4 and were subsequently returned to BSC with marks that might have enabled their source to be identified.

Mr. Irvine told Lord Denning and two other judges that he was concerned the rights, if any, of the media to protect their sources of information. Granada was not claiming an absolute right, but contended that the courts had a discretion not to order sources to be identified.

Legal authorities showed that the courts would practically always refrain from ordering such identification, recognising that Press was in the public interest.

The ramifications of Sir Robert's judgment were very wide, said Mr. Irvine. A journalist was under an obligation of confidence to his source and by the ethics of his profession it would be dishonourable for him to reveal that source.

"So acutely do journalists feel this that the cases demon-

strate that journalists ordered to reveal their sources may prefer to disobey and take their punishment which is the price they feel they must pay in order to maintain the moral obligation they have assumed."

If sources were identified information would dry up and the effectiveness of the media would be undermined.

Until Sir Robert's decision there had been no case in England in which the private interest of a plaintiff had been held to override the public interest in the protection of the media's sources, said Mr. Irvine.

If the decision was right, whenever a story appeared in a newspaper about what had been thought, said or done in a government department the identity of the source could be ascertained.

The hearing continues on Monday.

## Berger to close two factories

By Sue Cameron, Chemicals Correspondent

BERGER, part of the German-based Hoechst chemicals group, is to cut its workforce by 400 in the next three years and plans to close two of its five UK paint factories.

The company's Newcastle plant, which employs 158 will shut next year. A smaller plant at East Kilbride will close in August this year, with a loss of 46 jobs. Both factories make decorative paints. The rest of the cuts in the workforce will be made at the company's factories in Stratford and Chadwell Heath, both in East London, and at Hengrove in Bristol.

Berger, which employs 2,750, said the cuts were part of a move to streamline its business in the face of a weak market.

There was little growth in the decorative paints market—which accounts for the greater part of Berger's sales under the brand names Magico and Broloc—but competition was fierce. The introduction of more modern equipment during the years when the industry had been optimistic about growth rates meant there was overcapacity in decorative paint production.

The development of own-brand paints by supermarket chains had also helped to squeeze profit margins.

In the industrial and marine paints sector—Berger produces both—there were now signs of a downturn in the market. The main reasons were the general recession and the poor performance of a number of major customer industries.

Mr. Malcolm Mitcheson, managing director of Berger, said that during the last few years markets in the shipbuilding, construction and car manufacturing industries had all "fallen away."

But Berger intended "to ensure that there are job opportunities available for any existing employee who wants to stay with the company." There were 100 vacancies at Bristol and in the South East and it was hoped that these would be filled by workers whose jobs were being phased out. Berger had a high labour turnover, about 10 per cent a year, and more vacancies would arise during the two or three years of the rationalisation programme.

The company said that the Newcastle and East Kilbride plants between them accounted for less than 10 per cent of its total business.

Under the title "Labour Puts People First," it repeats the party's commitment to large-scale intervention in industry and to retaining the option of withdrawing from the EEC if reforms are not forthcoming.

Earlier, Mr. Callaghan was against the whole idea of a special party conference to fight the Conservatives on the grounds that the Left would use it to commit the party to new policies.

But he seems to be trying to make the best of it. He concurred with other drafting committee members yesterday that it would be better for them to agree unanimously on a statement to be put to the full National Executive Committee for approval next week.

## ILEA inquiry to be set up

BY ROBIN PAULEY

THE GOVERNMENT has decided to try to allay criticism that it is proposing to break up the Inner London Education Authority on the basis of a superficial report.

It is setting up its own inquiry, to be announced by Mr. Mark Carls, Education Secretary, next week.

But it will be a private internal investigation by civil servants expected to be drawn from the Treasury and the departments of Education and Science and Environment.

The inquiry results from criticism of the report by a committee chaired by Mr. Kenneth Baker, MP for Westminster St.

## More UK News on Page 26

Marlybone. It recommended the break up of the authority and the transfer of responsibility for education to the Inner London boroughs. Both Mr. Carls and the Prime Minister accepted it.

The report was only six pages and contained disputed statistics. It provoked protest that a major reform was being carried through on the flimsiest of evidence.

A problem about an inquiry conducted by civil servants only is that if they recommend a break-up of the ILEA it not practical or economical, the changed decision could be interpreted as civil servants making policy.

The group is expected to report in mid-summer to enable an announcement in early autumn, coinciding with finalisation of the Queen's Speech.

## Labour Party united on policy paper

By Elinor Goodman

BOTH SIDES of the Labour Party temporarily buried their differences yesterday to agree a statement of party policy. The statement will be put to next month's special one-day conference to co-ordinate Labour's attack on the Conservative Party.

In the interests of harmony, Mr. James Callaghan, party leader, accepted inclusion in the statement of policies which he would try to exclude from any election manifesto but which are, in fact, existing party policy.

As drafted, the statement reaffirms the party's commitment to abolish the House of Lords and its opposition to developing a new generation of the nuclear weapons.

Under the title "Labour Puts People First," it repeats the party's commitment to large-scale intervention in industry and to retaining the option of withdrawing from the EEC if reforms are not forthcoming.

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## LABOUR

## AUEW officers' claim upheld

TWO RESEARCH officers employed by the Amalgamated Union of Engineering Workers were unfairly dismissed by the union for preparing material for the AUEW's Left-wing assistant general secretary, an industrial tribunal decided yesterday.

Sir John Boyd, AUEW general secretary, told the tribunal that he had personally sacked Mr. Alan Hughes and Mr. Trevor Eward for gross misconduct.

He had done this, when he discovered that material written by the two officers, which was critical of the union's handling of last year's engineering disputes, was being prepared in the union's offices.

Mr. V. F. de Striation, chairman of South London Industrial Tribunal, upheld the claim of unfair dismissal. However, what the researchers had done was not considered by the tribunal to be gross misconduct, although it would mean a 30 per cent reduction in compensation. The two men were awarded about £1,000 each. The exact sum has still to be worked out.

Sir John, whose sacking of the two was confirmed by the union's executive, told the tribunal: "Just as any employer in the commercial world could not tolerate this people saying 'Don't buy our goods, they are

rotten,' we could not tolerate people saying 'Don't trust our leadership.'"

He said he was concerned about some publications within the trade union movement which he felt emanated from branches of the Communist Party. He felt the authors had a right to object, but he recently believed the sources were within his headquarters.

Mr. Eward said the reason for dismissal was "a fabrication." There was no intention to discredit the democratically-elected leadership of the union in the eyes of the membership.

"I maintain there is nothing deviant or underhand about what we did," he said.

Mr. Hughes said the article he wrote was a critical analysis of newspaper cuttings and of the notes of Mr. Bob Wright, assistant general secretary, done at Mr. Wright's request and in his own time. It was to assist him in lectures in the union's schools.

"I never intended to use the schools as a vehicle for my own political views," he said.

Sir John said disciplinary action against Mr. Wright, who, as an elected officer of the union, had to be considered differently, was "still in the air."

## Private steelworkers accept 18.5% deal

BY OUR LABOUR STAFF

STEEL UNION negotiators, representing 4,000 private sector workers in the Midlands, yesterday accepted an 18.5 per cent pay deal, averting the threat of a damaging strike.

Mr. Ray Bishop, Midlands officer of the Iron and Steel Trade Confederation, said the management offer provided a 17 per cent increase in basic rates, plus extra holiday and premium payments.

Earlier, the national executive of the union rejected a regional negotiators' call for a strike after pay talks broke down when management rejected a 20 per cent demand.

TEACHERS' leaders and local authority employers yesterday accepted the Clergy Commission pay award which will give teachers rises of between 17 per cent and 25 per cent.

The rises, on top of a 9.3 per cent increase last April, will be back-dated to January 1.

Mr. Fred Jarvis, leader of the teachers' panel on the

Burnham Joint negotiating committee said substantial progress had been made. "We want money in teachers' pockets soon and an early start to the negotiations on our April 1, 1980, strike date," he added.

PRINTERS' craftsmen yesterday agreed to hold informal talks with employers next week.

The talks between the National Graphical Association, which has led industrial action in provincial newspapers and general print companies, and the British Printing Industries Federation and the Newspaper Society are aimed at finding a basis for resumed negotiations on the union's £80 minimum wage claim.

BANK union representatives were last night still meeting National Westminster Bank management in an attempt to resolve the messengers' pay dispute which has disrupted the work of the major clearing banks this week.

## Civil servants back May 14

BY OUR LABOUR STAFF

THE Civil Service is threatened with major disruption on the TUC day of action, after yesterday's decision by its biggest union to urge all members not to go to work on May 14.

In one of the strongest union recommendations for action, a special executive meeting of the 234,000-strong Civil and Public Services Association said May 14 was regarded as a one-day strike.

It is telling members to disregard any instruction to work in other offices because of transport problems or seek an alternative to public transport.

Any member victimised for taking action would get the union's full support.

Union branches are being advised to consult other Civil Service and industrial unions to co-ordinate action and respect picket lines.

On speculation that the Government might buy an interest in such a project and that shares might be offered to the public, Mr. Albert Spanswick, general secretary of COSE said: "There is no BP solution to the financial crisis facing the NHS."

Financing the extraction of oil from the ground and financing the care of the sick, he said, were two very separate problems.

The Department of Health said yesterday that the possibility of setting up a "major British show window" for medical experts was still only an idea, and using the Westminster would be only one of a number of possibilities. The question of whether a working unit would make the best showcase was still only under discussion. The general idea, however, was "favoured by Ministers."

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## ARBUTHNOT GOVERNMENT SECURITIES TRUST LIMITED

### Investment Portfolio of Gilts

Interim Statement by Directors on 28th March, 1980

"The Directors take an optimistic view on the course of interest rates over the next twelve months and remain confident of the future prospects for the Company."

The unaudited Revenue Accounts for the six months to 31st January 1980:	1.8.79 to 31.1.80	24.7.78 to 31.1.79
Investment Income	£ 254,638	£ 112,207
Bank Deposit Interest	168,501	6,992
Expenses	414,959	119,199
Net Revenue	37,180	108,474
Equalisation on Shares Issued	150,451	29,535
Available for distribution	527,018	138,007
Interim Dividends declared 6.375p per share (6.25p)	449,615	129,232
Revenue retained	77,403	8,825

# 14.77%

Estimated Gross Dividend Yield (at the last offer price of 86.3p xd)

### Quarterly Dividend

The Directors are pleased to forecast an annual dividend of 12.75p per share for the year ending 31st July, 1980, to be paid quarterly. The third quarterly distribution is payable on the 15th July, 1980, for all shares purchased by 30th April, 1980.

The Income Shareholders receive gross dividends in cash and the capital shareholders a scrip issue of equal value. The fund is now valued at over \$9 million.

- Capital shares may not be held by residents of the United Kingdom or Jersey.
- The Income and Capital Shares are listed on The Stock Exchange, London.
- Valuation and dealing dates will normally be on Mondays unless any such Monday is not a business day, in which case the operative date will be the next business day.

Allen Harvey & Ross Investment Management Limited who have an excellent record in the management of Gilt-edged funds act as investment advisers.

To: Arbutnot Securities (C.I.) Limited, P.O. Box 284, Ruford House, Pitt Street, St. Helier, Jersey, Channel Islands. Tel: (0534) 76077.

Please send me a copy of the company's prospectus (on the terms of which alone application for shares will be considered) together with the latest accounts.

Name



## ARBUTHNOT



## THE WEEK IN THE MARKETS

## The long tap steals the show

ONCE AGAIN the gilt-edged market has held centre-stage, with yet another tap stock stealing the show—this week Treasury 134 per cent 2004-08, which was up for tender on Thursday. Government bonds moved ahead on Monday, the short tap was exhausted, and the Government Broker made further supplies of his low coupon stock for high taxpayers, Exchequer 3 per cent 1984.

This made the new long tap look cheap enough, and although the market wavered on Tuesday, a burst of buying late on Wednesday in the wake of a fall in Chase Manhattan's price, a surge in dollar bonds ensured that it would be oversubscribed.

However, gilt-edged investors were left biting their nails all day, as the premium over minimum tender price and the basis of allotment were not announced until after the close of trading on Thursday. It turned out that the striking

price was 293 1/2, a premium of 1 point, not so high as to suggest that very speculative buyers had been drawn in to the stock. The few loose sellers who appeared yesterday morning were easily absorbed, and gilt ended the week looking reasonably firm.

Equities made a little progress on the coat-tails of gilt-edged, but interest was at a pretty low ebb for most of the week. The shares that attracted most attention were those most likely to benefit from lower interest rates—the property sector as a whole, and a few over-gear companies such as First National Finance.

The pharmaceutical industry is suffering from intense international competition and the magnificent margins of the mid-70s are beginning to tumble with a vengeance. The latest set of figures to show these symptoms came from Glaxo, whose first half profits fell 17 per cent to £30.3m. The performance was all the more dis-

## LONDON

ONLOOKER

appointing since the 1978 figure had been barely ahead of the level in 1977.

While a better performance is generally expected in the second half, the full-year profits are unlikely to recover the interim decline, and any prospects of renewed vigorous growth look at least five years in the future. The share price fell 14p to 226p on the announcement on Monday, and continued falling all week.

The main squeeze has been in the antibiotic range (the cephalosporins) which Glaxo pioneered in the mid-60s. Competition was limited to two other companies until the mid-70s, but since then the number of companies in the field has soared to well above 100.

Glaxo is feeling the pinch in other areas, too. A price cutting war in wholesaling has squeezed margins in Glaxo's wholesaling business Vestric, while the penetration of the new drugs Transdane and Zinacef is taking longer than expected. With sterling strong and volume dull in the home market, the recent UK and Italian price rises will go only so far to improve profits.

The longer-term outlook depends to a large extent on the success of the ulcer drug, now under development, and the competition could prove stiffer than currently expected. The p/e remains at about 11, fully-taxed.

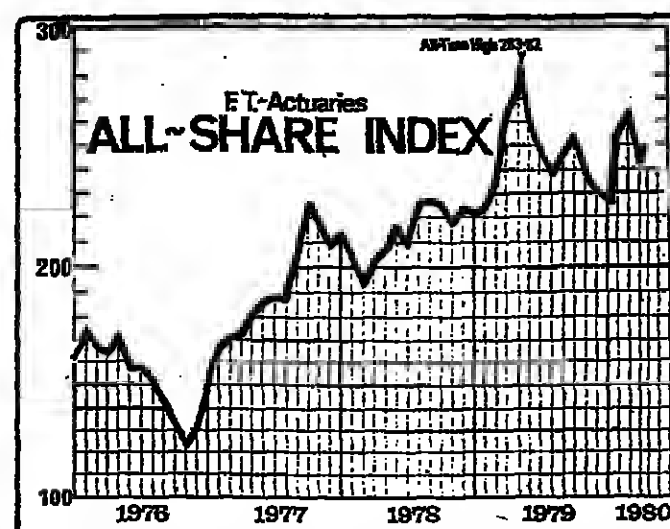
When a share price collapses from 57p to 38p in a couple of days trading directly ahead of an announcement of some very poor profits it is hard not to suspect the worst.

Such was the movement in the Brocks Group price ahead of Thursday's news of disastrous trading in the second half, when the company fell into the red. After a £12m write-off against stocks and redundancy costs there was a net loss of £1.1m for the year against a £12m profit.

No doubt the Stock Exchange's quotation department will cast an eye over the price movements and dealings of the past few days.

The falls might have been influenced by redundancy notices which were sent out to some of the workers in the marine division last week. At this time of year the marine division—selling radios and navigational aids for yachtsmen—should have been seeing peak sales and not a lack of work.

Had it not been for the appearance of Mr. Colin Banks, co-chairman and founder of Rodco, who came in with his Pelco and Grovemart companies a year ago, the Brocks figures would have looked even worse. The old-established alarm business was sold to Automated Security at the beginning of 1978, the marine division is being cut back fairly dramatically and car radio production is



being run down. Apart from the new companies, involved in the microprocessors field, Brocks has very little left.

## Coral's Hints

Thursday's preliminary figures from Coral Leisure, coming amid speculation surrounding the group's casino and hotel interests, provide a chance to get the company's problems into perspective.

Capital gearing is high: netting off goodwill and cash, borrowings stand at 72 per cent of shareholders' funds. But Coral has managed its borrowings well, and interest charges take only 20 per cent of trading profits.

Problem areas last year were racing, where bad weather effectively wiped out the first two months of the year, and hotels. Casinos moved strongly ahead, with perhaps 90 per cent of that division's profits coming from the four London clubs whose licences are now under fire from the Gaming Board.

There is much muttering about a sale of Centre Hotels, Coral's 27-strong chain, which includes four Dutch properties. A figure of perhaps £40m to £45m for the UK hotels is mooted, though it seems management minds have been too preoccupied recently by casino problems to go beyond preliminary consideration.

Coral's attention has also turned Westward to Atlantic City in the U.S., where \$10m has been sunk into an indirect stake of 10 per cent in the

proposed Ritz-Carlton casino. In order to secure the management contract, Coral has to post a \$20m guarantee to financing banks, a proposition which it is reluctant to put to its own bankers in present circumstances.

There is also the question of how far New Jersey licensing authorities will take into account the views of their London counterparts in considering Coral as Ritz managers.

## Trouble ahead

The looming financial crisis of the corporate sector has been increasingly obvious throughout this year. Now, someone has put numbers on the problem. According to an analysis released this week, 18 per cent of British quoted companies will be at risk of failure by this time next year.

This is the gloomy prediction of Performance Analysis Service (PAS), which claims to have developed an almost fool-proof method of predicting changes in a company's fortune. The system is based on the well known "Z Factor" concept developed in the late 1960s at New York University. Essentially it puts together four ratios from a company's accounts which are designed to measure profitability, working capital, financial risk and liquidity.

These ratios are weighted together to form the "Z Factor", which is then ranked with all other companies in the sector. The figure is meant to distill information about a company's past—and potential risk rating.

As examples of past predictions, PAS says that failed toy maker Dunbar-Corner-Mark had been flashing danger signals well before it undertook the U.S. acquisitions which directly led to all the trouble. It also refers darkly—and obliquely—to existing candidates for disaster in the engineering and construction sector.

Some analysts remain sceptical about the system, arguing that this cold statistical route omits the human factor, and is based on outdated information.

However, enough people are worried to give PAS, at any rate, a healthy business climate. It says that it has 23 clients at present, including the four major clearing banks.

Peter Montagnon

## Looking for peaks and precipices

## NEW YORK

DAVID LASCELLES

HAS THE turning point finally been reached? Have interest rates peaked? Is recession on the way, and if so, how big and how bad will it be?

These questions have, admittedly, been buzzing around Wall Street for nearly two years now, but some of the answers could have come this week.

Yes, interest rates may have peaked. Yes, recession seems to be on the way. Unfortunately, though, nobody can yet agree on what it will be like, and this is likely to be the market's main preoccupation over the coming weeks.

The cut in prime rate from its dizzy 20 per cent gave the bond market its biggest boost ever. But the stock market focused instead on the blackening outlook for the economy, and went into a decline, albeit a fitful one.

Most days, the Dow behaved a bit like a yo-yo, rallying on specks of good news only to drop again as investors looked on the gloomy side. For most people, the dilemma was whether the fall in interest rates was good news because it takes some of the pressure off corporate profits, or whether it was bad because it portends the end of the nation's longest post-war boom. Judging by the net fall, the second view prevails, though technical factors, like bargain-buying, could always sustain the market for a while.

The week began uneventfully enough. Monday saw the slowest trading this year, with a mere 23m turnover as investors stood back awaiting some sign about the economy. This was the case again on Tuesday, though some brokers were encouraged by the market's resilience in the face of the fast-deteriorating situation in Iran.

The big move came on Wednesday when Chase Manhattan Bank led the downward trend in the prime rate with a 1 per cent cut to 19 1/2 per cent. There was also an encouraging comment the same day from one of Wall Street's most influential economic experts, Dr. Henry Kaufman of Salomon Brothers, who expressed the opinion that interest rates may finally have peaked.

Dr. Kaufman has accurately forecast the rise in interest rates in the last 18 months, and his shift of opinion has been eagerly awaited. However, his actual words still had a note of caution: "It is now likely that money rates have reached their cyclical peaks and will decline irregularly," he said.

Predictably, these remarks gave the market a big boost—but only for a while. Investors quickly concluded that it could only lead to one thing, recession. In fact, Dr. Kaufman's statement included a warning

that was overlooked in the early rush: "We are at the precipice of another economic recession."

So the market ended down sharply on the day. It extended its slide on Thursday, though it managed to bounce back a bit from the day's deepest loss of five points on the Dow to close only a couple of points down.

This bounce, which was evident against yesterday, is to some extent technical because stocks are selling at near-record lows and attracting the bargain-hunters. But the more far-sighted among the investment community must also try to "look across the valley" beyond the recession to the new peaks ahead.

At the moment, these peaks are particularly hard to distinguish, though many Wall Street economists agree with Dr. Kaufman's view that a drop in GNP ranging upward of 3 per cent.

Obviously, there would be benefits. The sharp rise in unemployment should take some of the pressure off prices, leading to some optimism on the inflation front. (The decline in interest rates, a prime of around 15 per cent by year-end) would also help the corporate sector.

These types of considerations always console the market at this stage of the economic cycle, and they could produce a price upturn before the economy itself actually gets under way again.

However, Wall Street's view stands in sharp contrast to that of the administration. In a Press conference this week, President Carter said that an economic recession had already begun. (He could hardly say otherwise, given the dreadful economic statistics that have started pouring out.)

It was also significant that Mr. Carter gave no hope of early relief on the inflation front. He

statement lay less in his assessment of the severity of recession than in the fact that he mentioned it at all. It was the first time he had admitted its existence, though several of his advisers have been saying as much for weeks.

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Monday 784.90 — 6.45  
Tuesday 783.36 — 1.54  
Wednesday 771.25 — 12.11  
Thursday 768.86 — 2.39

## MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1980	1980	
	Today	on Week	High	Low	
F.T. Ind. Ord. Index	442.7	+ 7.1	478.8	466.9	Little more buying interest
F.T. Govt. Secs.	66.68	+ 0.52	69.26	63.85	Now long issue oversubscribed
Albert Heijn	157	+ 20	160	117	Better-than-expected results
Bass	231	+ 15	231	188	Institutional support
Bambers Stores	68	- 10	102	68	4.2m share placing
Bowling (C. T.)	155	+ 16	166	122	Marsh & McLennan bid agreed
BP	342	- 12	412	328	Chairman's profit warning
Brocks Group	39	- 18	91	38	Nervously sold ahead of poor figs.
Canwoods	176	+ 19	192	140	North Sea oil interests
Glaxo	210	- 30	260	210	Disappointing interim profits
Guthrie	800	- 112	912	628	Bid for City & Inc. approved
Jessel Tynbee	64	+ 8	70	54	Firm gifts
Keyser Ullmann	63	+ 8	73	55	Speculative demand
Kitchen Queen	16	- 5	44	15	Lack of support
LASHO	508	+ 58	528	337	Bad hopes
Pacific Copper	184	- 26	230	128	Profit-taking
Serck	47	- 23	76	35	Rockwell's bid to lapse
Style Shoes	175	+ 35	206	140	Bad hopes
Tricentral	314	+ 32	334	250	U.S. expansion plans
Ufarman	590	+ 56	590	412	Chairman's optimism

## Why the Bundesbank cannot relax

THERE IS growing evidence that interest rates have peaked in the U.S. But with prime rates moving lower and bond markets surging in New York another question comes to the fore.

Does this mean that a hard currency "country," such as Germany, which was forced to raise interest rates in sympathy with the U.S., has now regained the freedom to relax its own monetary policy? The answer according to bankers in Frankfurt is "not for the time being."

They base this belief on the assumption that a decline in U.S. interest rates will not spark off a large scale fall of the dollar against the D-Mark on foreign exchange markets beyond the adjustment that has already taken place. The dollar's rise in recent months was fuelled by higher dollar interest rates, but it now appears that

the U.S. currency will survive a narrowing of the interest rate differential with Germany.

On the one hand, the economic situation in the U.S. now shows signs of deteriorating and the recession is likely to reduce demand for imports, especially of oil. On the other hand Germany is now running a substantial current account deficit, expected to amount to some DM20bn to DM25bn this year and inflation, which is currently 5.8 per cent, is likely to accelerate because of higher import prices.

For the time being, therefore the economic fundamentals speak against a stronger mark. Indeed the monetary squeeze now being applied by the Bundesbank would have to continue if its value against the dollar is to be maintained.

Germany's discount rate now stands at 7 per cent compared with 5 per cent last October, while short term money market rates are somewhat higher at about 9 1/2 per cent, which is well above the inflation rate.

There is some doubt as to whether the rates would have moved as high as this without the remarkable strength of the dollar in recent months. Reluctant as it was the Bundesbank had to move forcefully because the weaker mark threatened price stability by pushing up the cost of imports.

So long as this threat remains, the Bundesbank can hardly relax its hard money stance, all the more so since, according to Dr. Hans Matthöfer, Finance Minister, the money supply is now expanding at the upper end of the 5 to 8 per cent target range for central bank money stock.

Meanwhile the exchange market outlook means that funds which were placed in short term dollar investments to take currency profits as the U.S. unit rose are not likely to return on force to the D-Mark now that interest rates across the Atlantic are tending lower.

Instead investors are more likely to move into dollar bonds to take advantage of the profits that may be made on yield considerations. Only when yields on dollar bonds have dropped considerably are they likely to realise their gains and return to the mark.

This will, of course, reinforce the weaker position of the mark against the dollar, the bankers say, although they add any sharpening of the political crisis in the middle east might change matters. It also means that the prospect of a marked

decline in bond yields is remote at present even though the advent of the 10 per cent coupon has stabilised the market.

At best, therefore, it seems that German interest rates will move down more slowly than those on dollars. At worst they might move somewhat higher if the dollar resumes his climb on foreign exchange markets or if German inflation turns out stronger than presently expected.

Later in the year things could change, but slowly. One banker said he had a bet that by October coupons on long term bond issues would be below 9 per cent. Replied another: "If he made a bet it means that someone else thought otherwise."

Peter Montagnon

## A bitter battle over a large Scotch

GRAND METROPOLITAN's takeover bid for sleepy U.S. tobacco and spirits company, Liggett Group, could be unusually bitter.

As sole distributor for Grand Met's J & B Scotch in the U.S. since 1966, Liggett has developed the traditionally strong brand into the U.S. best seller. Yet last July, Grand Met told Liggett that the J & B franchise would not be renewed when it expires in 1980.

The UK group has been eager to expand into the U.S. and regret that Liggett was not responsive to its proposals, starting three years ago, for joint ventures. "I guess they found their situation quite comfortable," Mr. Stanley Grinstead, Grand Met managing director said.

Then, early last year when Liggett became publicly identified in the U.S. as an easy takeover target, Grand Met felt it had to take steps to prevent J & B from falling into less congenial hands.

The pressure on Grand Met to do something was increased by the swing in exchange rates in the past few years. Sales to Liggett are billed in dollars—and Liggett's share of the J & B profit has swelled to about 65 per cent. Grand Met's total investment in Scotch whisky exceeds £80m. The "lion's share" of that is in J & B. Mr. Grinstead said, and the lion's share of J & B's market is the U.S.

Grand Met has made several attempts in the past few months to buy Paddington Corp., the Liggett subsidiary that has the J and B franchise, and also to attempt once again to negotiate a deal on Paddington.

Mr. Grinstead dismissed the possibility of going back, noting that many Liggett shareholders probably liked the look of the \$50 a share offer and would sue the directors if they tried now to make a quiet deal on Paddington.

In retrospect, the point of no return may have come as early as last July when Liggett realised that Grand Met was serious about not renewing the J and B franchise. From that moment, the two associates were holding each other to ransom.

Liggett knew that no buyer other than Grand Met was likely to be very interested in this waning asset, while Grand Met had to worry that Liggett would be less and less enthusiastic about developing J & B.

"Things are difficult," Mr. Grinstead said of relations with Liggett. "We are not at war. I think we both realise we are doing what we have to do for the good of our companies."

Mr. Grinstead emphasised that Grand Met's financing for the deal is for an average life of four years. The group feels comfortable with its debt equity ratio as high as 80 to 20 per cent from the current 40 to 45 per cent as a result of the deal. The group also hopes it will find that some of Liggett's other operations can be made to produce higher profits.

"I don't really want to come out too much on the quality of their management," Mr. Grinstead observed drily. "But if you look at the dividend, it has been unchanged for 20 years."

Most Scotch whisky distillers prefer not to own their distributing companies around the world, largely because of the cost involved. Distillers Company, for example, owns only one of its sole national distributors, Simon Fraser in France. It was bought for similar reasons that Grand Met advances for wanting to buy Paddington—the fear that a competitor would

and would sell them off if the deal goes through. There has also been speculation that the two combatants may withdraw and attempt once again to negotiate a deal on Paddington.

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Mr. Grinstead: 'We still talk'

snap it up. However, in some instances, a distiller tolerates having a brand distributed by a competitor. Seagram, for example, distributes DCL's White Horse scotch in the U.S. Against this, Grand Met argues that its wine and spirits business is more diversified than that of other distillers and that it needs a direct presence in the huge U.S. market.

"We have got a number of other brands we would like to promote in America and we don't want the same problems we are having with J & B," Mr. Grinstead said.

The direction and outcome of the developing takeover battle are, as always, impossible to predict. Liggett has hired an anti-takeover specialist in the time-honoured American way and can be expected to throw every possible legal and other obstacle in Grand Met's way.

The usual main weapon, anti-trust legislation, would seem not to apply because Grand Met has so few interests in the U.S. Also,

the company passed an initial anti-trust review when it sought to acquire more than \$15m worth of Liggett shares last December.

One possible target for Liggett to shoot at is Grand Met's Coca Cola distributorship in the south of England. Liggett distributes Pepsi-Cola in the south-east U.S.

Grand Met doubts there would be any problem because of the great distance between the two areas but, it has not investigated the question with either supplier.

Liggett may also try to paint Grand Met publicly as a rather unattractive foreign invader. It has emphasised in its Press releases, for example, that Grand Met has gambling interests.

"This is the American way of doing things," Mr. Grinstead said. "We understand and we are briefed. We'll just have to ride it. I think we are fairly experienced in these things."

Ian Rodger

A new unit trust investing in the dynamic economies of the Pacific Basin  
Tyndall Far Eastern Fund  
First offer of units at 50p

Tyndall's new unit trust, the Far Eastern Fund, invests in some of the fastest growing economies of the world—Japan, Hong Kong, Singapore, Australia and other countries of the Pacific Basin.

In these countries private enterprise, national character and good government have produced a series of economic miracles in which rates of growth have been sustained which would be hard to parallel in the West.

The proportions invested in the individual markets will vary and there may be times when a given market is excluded from the portfolio. However it is likely that Japan, the second largest stock market in the world, will always be strongly represented.

## The right time

Tyndall believe that now is a particularly good time for those in the UK to invest in the Far East. The pound has risen steeply in relation to Far East currencies and particularly the yen. This means that shares of companies in this area can now be bought more advantageously than for many years.

Japan has learnt the lesson of 1973 and has become far less vulnerable to oil price rises. This is one reason why Tyndall believe that the fall of the yen has been overdone and there is potential for a rise in share prices. The proposed initial portfolio reflects this emphasis on Japan.

## Experience in the East

The volatility of these markets with their high risks and possibilities of profit puts a premium on knowledge of the area.

Through their extensive operations overseas Tyndall already have a great deal of successful experience in managing funds invested in the Far East.

## Proposed initial portfolio:

Japan 45%	Hong Kong 15%
Philippines	Hong Kong Land
India	Hong Kong & Shanghai
Korea	Singapore
Kyoto Ceramic	Hutchinson
Matsumoto Electric	Jardine Matheson
Works	Swire Pacific
Mitsubishi Heavy	Malaysia/Singapore 15%
Industries	New Far Brothers
Mochida Pharmaceutical	International
Nippon Sanko	Indochina Bank
Olympus Optical	Stone Dairy Holdings
Pioneer Electronic	United Overseas Bank
Sanyo	United Overseas Land
Shimadzu	Philippines 7%
Sony	Central Petroleum
TDK Electronics	Philippines Long Distance
Tokio Marine & Fire	Telephone
	Stanford Microsystems
	Shanghai 25%

The Cash 15%

The aim of the Tyndall Far Eastern Fund is capital growth. The estimated commencing gross yield is 2.7%. If you prefer to have Accumulation units in which net income is reinvested you can do so by ticking the box in the coupon.

You should remember that the price of units and the income from them can go down as well as up.

## Low charges

The minimum investment is £1500 and the initial charge is 3% (reduced to 2% on the excess over £10,000)—unusually low for a trust investing in the Far East.

The initial offer of units at 50p closes on 2nd May 1980. To invest, simply send the application below with your cheque.

## Important details

All applications will be acknowledged and your certificate will be sent within 42 days. After the close of the first price offer, units will be dealt in daily and can be purchased at the price prevailing on the receipt of the application. Unit prices and other details will be quoted daily in the Financial Times and other national newspapers. If you wish to hold your units, the Managers will purchase them at the bid price on any dealing day. Payment will normally be made within seven days of the receipt of your request for redemption. Distributions out of tax at the basic rate are made twice a year on 30th April and 30th October. Investors now will receive their first distribution on 31st October 1980. An initial charge of 3% (reduced to 2% on the excess over £10,000) is included in the buying price of the unit. The Trust Deed permits an annual management charge of 1% (+ VAT) calculated on the average value of the Fund. The Managers are restricting the charge to 3% (+ VAT). Any increase in the maximum permitted requires 3 months notice. Trustees: Williams & Glyn's Bank Limited. Managers: Tyndall Managers Limited, 18 Canynge Road, Bristol BS99 7UA.

## APPLICATION FOR UNITS

Applications should be sent to Tyndall Managers Limited, 18 Canynge Road, Bristol BS99 7UA. Telephone: 0273 32241. Registered Office: 18 Canynge Road, Bristol BS99



## FINANCE AND THE FAMILY

## Paying off a mortgage

BY OUR LEGAL STAFF

I am about to pay off my mortgage. How do I remove the building society's charge on my house at the Land Registry without employing a solicitor? If you obtain a discharge in Land Registry Form 53 executed by the building society you need only lodge that form and the charge certificate (with the appropriate fee) at the Land Registry.

## Premium bond sharing

Sometime ago I bought some Premium Bonds for my wife, child and self. It was agreed that the prize money should be shared between us. To avoid having to pay Capital Transfer Tax it is necessary for any document to be signed by us?

## Aliment for a wife

We were huffed by your reply under "Aliment for a wife" on Saturday March 15, to a widower contemplating marriage. As we understand it, the Divorce Act 1969 provided for the element of "guilt" to be removed when financial arrangements were decided, and the fact of whether the wife (or husband) has committed adultery has no bearing whatever on the decisions reached. Even if the divorce is clearly obtained on these grounds, when the wife sues for a capital sum payment, and she was the "guilty party" the issue is solely judged on husband's assets and length of marriage. Can you please explain?

The reply to which you refer as you will see was to a query raised by a Scottish (Ayrshire) reader and the answer is based on Scots law.

The Divorce Act 1969 is an English Statute and does not apply on Scotland. Matrimonial Law in that country is governed by the Divorce (Scotland) Act

participants setting out the sharing agreement.

## Rich man poor finance

It is likely that my income will attract the higher marginal rates of income tax in the 1980/81 tax year. However, I am marrying in late April 1980 and my future wife's income for 1980-81 will not (regrettably) approach the higher marginal rates. Could I, therefore, transfer to her certain cash deposits after marriage; she would then receive the income on these deposits, but only have to pay the basic rate of tax thereon? Yes, your idea is sound. The cash gifts to your wife must be bona fide and absolute—for example, the cash should not ultimately find its way into an

account upon which you have power to draw, nor should it be spent in any way which significantly benefits you. If this counsel of perfection is not complied with, there is a risk that the income may be deemed to be yours, and taxed at your top rate.

## Entitlement to maintenance

My son's wife has left him, and I understand there is to be a legal separation. There are no children, and she works full time. Could you please tell me to what my daughter-in-law is legally entitled? Also will the financial arrangements made at the time of the legal separation be binding, or could she in a few years' time, when a divorce may be desired, come back to my son for a new settlement?

Your daughter-in-law is entitled to suitable maintenance, which can be agreed or fixed by the court if agreement is not reached. The court will usually wish to ensure that she gets

one-third of the joint incomes; but in a case like this which can be varied later. The order would not be a final decision as to what her husband should pay her, but may be varied on a material change in circumstances.

## Children and the same school

For one reason or another, nothing to do with their abilities, my two younger daughters are being refused admission to the school their elder sister attends, which is just outside the local authority area in which I live. Have I a right to demand that all my children go to the same school (a) because, while it is not my main residence, I do pay rates on a flat in the area? If not, can you suggest a course of action?

The criterion is the place of residence of the pupil, not the ownership of property, whether rateable or not. However, there is no provision in terms in the Education Acts either requiring or prohibiting an education authority to or from taking a pupil who does not reside in its

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

## Liquidation liability

I refer to your reply of November 9 under Liquidators Liability. Section 309 of the Companies Act 1948 states "all costs charges and expenses properly incurred in the winding up, including the remuneration of the liquidator shall be payable out of the assets of the company in priority to all other claims. How do you reconcile this with your statement that there would be no priority for a creditor whose debt was incurred after liquidation?"

We agree that a debt which falls within Section 309 of the Companies Act 1948 has priority, although it remains to be resolved in any given case whether a trade creditor whose debt is incurred after the date of liquidation claims in respect of an expense properly incurred in the winding up.

## CTT error to be rectified

With reference to our reply last Saturday under "CTT error to be rectified" your attention has been drawn to the income tax rules for residuary legatees, to be found in sections 427 to 433 of the Income and Corporation Taxes Act 1970, as amended.

Under the purposes of excess liability (higher-rate and additional-rate tax), the residuary legatee's deemed income is reduced by the appropriate amount of CTT retrogressed at the basic rate, under section 430 as amended. This, we are advised, produces "a kind of rough justice in many cases, but the formula is an arbitrary one."

## Safety first on holiday

## INSURANCE

JOHN PHILIP

COMPREHENSIVE motor insurance is a peculiarly British insurance product. Nowhere else in Europe, even in the Irish Republic, does the average motorist have the opportunity of buying so wide a package of motor cover. Insuring abroad, even if he is ready to pay a heavy price, he will still be short of some benefit which here we all take for granted.

So no one arranging a fly-drive holiday on the Continent or hiring a car locally when abroad should reckon on getting much more than a combination of liability cover against third party injury and damage with some cover on the hired car (likely fire and theft, but probably not full accidental damage, rather with a substantial excess).

In Britain even under a private car policy restricted to third party protection, the motorist has unlimited financial cover against claims for injury and damage. Those injury claims may come from passengers who may be members of his own family. Even in the EEC there is no uniformity on this aspect. Once one goes beyond EEC frontiers third party cover is even more variable.

Points to watch include financial limits—these can be low, arguably even derisory, by British standards. Are such limits really adequate, or can the motorist's own resources be at risk once the insurance protection is exhausted?

Is passenger liability included, and if so does that include claims from members of the family? If not, what can the motorist do to arrange potential

compensation for such injury? Last spring, in Crete, hiring a car from an international operator I was offered personal accident cover for myself and my family. No one explained to me that the motor policy excluded my liability to them, that the "extra" P.A. cover was in lieu of some of my insurance cover.

It was not until I got home and checked that I became fully aware of the shortcomings of that motor policy—and my information then was that no hire firm in Crete would be able to do better for its customers.

In retrospect I should have bought the P.A. cover at around 75p a day—but at the time I was not sufficiently advised.

On to car damage, my Cretan car hire contract declared that my liability for "collision damage" was 19,000 drachmas, about £250 at last year's rate of exchange; and it went on to say that I could buy "collision damage waiver" for close on £2 a day—whether this money went to insurers or simply stayed in the hire firm's till was by no means clear.

Perhaps faintheartedly, I paid the premium for the waiver, preferring to spend a few pounds for the certainty of protection while driving what was an absolutely new car in completely unknown terrain.

Other hirers in my hotel reckoned to "get by" without paying for the waiver—and certainly their driving record during those few days was as unimpaired as my own. But could any of them really have afforded that £250 excess?

I am not saying that insurers were wrong in restricting my damage cover, nor am I saying

that the "buy back" price was too high. From the insurers' point of view hiring risks seldom present satisfactory business, even in this country. My guess is that abroad foreign motor insurers take much the same pessimistic view, that British insurers take over.

The foreign driver, in a strange car, with a record that cannot easily be checked, on unfamiliar roads and in strange traffic conditions, anxious to do all the sights in his short time available, just cannot be the best risk on the road.

This being so, it is sensible for insurers to impose a substantial excess, to take care of the majority of small to medium traffic accidents.

So when hiring a car abroad, it is always good sense to see what is the extent of the collision damage cover, what is the size of the excess, what is the premium for its partial or total elimination.

If, and only if, you are adequately informed, can you properly make the decision to buy or not to buy, in the light of your own circumstances.

Looking through British tour operators' brochures earlier this year, though many offer to arrange car hire at destination, I found virtually no information on car hire insurance. A few telephoned inquiries convinced me that they were not withholding information—they just did not know.

This surely is not good enough. If a tour operator recommends a car hire firm, whether before the traveller sets out from Britain, or locally abroad, then it should ensure that adequate information about car insurance is available together with a copy of the policy in English if one is required.

After all, the tour operator is probably getting a percent

## RESIDENT ABROAD

## Money management for UK expatriates

Resident Abroad is a new magazine for the British expatriate, whether on a short or long term contract or retired abroad. The magazine provides the expatriate with information, advice and comment on investment, tax, pensions, and indeed any aspect of earning, saving or spending money outside the UK.

The major articles for 1980, which are outlined below, will give you an indication of the wide scope offered by this magazine, so making it essential reading for the expatriate.

- Education—the alternatives available
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## Crest of the wave

STRONG PRICES for gold, platinum, silver and diamonds coupled with a good recovery in those of the base metals made 1979 a good year for the world mining industry, even though earnings were not as high as they seemed when allowance was made for the lower value of money brought about by inflation.

The first quarter of this year has been even better with prices of precious metals zooming up to record levels and those of the base metals having gained more ground. But the tide has now changed and while precious metals are still well above last year's levels they have dropped back sharply from the first quarter 1980 peaks. Base metal prices have also eased but, generally speaking, they are still above the 1979 averages.

This week's news of bumper mining profits must thus be seen against this "crest of the wave" background. Recessionary influences in the Western economies could pull base metal prices back further until the eventual recovery returns them to a rising trend although political developments could alter the near term picture as, indeed, they could for gold.

At this stage, near term forecasts are out of the question. But after the bumper first quarter earnings the mining industry should still do well this year providing, of course, that there is no major fall in also by the long strike at the Escondido mine in the UK-based Rio Tinto-Zinc tough mining and industrial group have beaten all expectations with an advance of 46 per cent to a record £149.8m, equal to 59.42p per share. Shareholders get a 30 per cent increase in dividend, the final of 10.5p now declared bringing the year's total to 15p compared with 11.5p for 1978.

Nearly all sectors of the group's mining and industrial activities did better last year, including the controversial Rossing uranium mine in Namibia which is now coming right. So, too, is the Wheat Jane tin mine in Cornwall which RTZ rescued after the Gold Fields group pulled out last year. It is expected to resume production by the middle of this year and be turning out tin at an annual rate of 1,500 tonnes in early-1981. After the vigorous expansion of the past decade RTZ has slowed down as far as new mining development is concerned, but the group has several cards up its sleeve for the time when metal prices move on to more assured levels. Meanwhile, there seems little doubt that the Ashton diamond project in Western Australia will get the mining go-ahead this year.

Canada's nickel giants, Inco and Falconbridge, remain in good heart as far as 1980 earnings prospects are concerned. Inco has underlined this view with a 3 cent (U.S.) increase to 18 cents (3.1p) in its quarterly dividend rate. Despite continued losses at the Guatemalan and Indonesian nickel operations, Inco has achieved first quarter earnings of U.S.\$97.5m (£43.8m) which compare with \$69.2m in the final quarter of last year. The total for 1979 was \$141.7m, it

## MINING

KENNETH MARSTON

being held back not only by a depressed market for nickel in the early part of the year but also by a 10-week strike at the Sudbury, Ontario, facilities. Turning to gold, the March quarterly reporting season of the South African gold and uranium mines has been completed this week. The net profits, which are shown in this week's large table tell the story of a high average gold price received of around \$635 per troy ounce—because of the timing of sales the prices received by individual mines vary compared with about \$400 for the December quarter of last year and the average of \$300 for all of 1979.

This is not the whole story because the industry trend towards mining more of the less rich, or lower grade, ore continues and as a result the amount of gold produced by many mines has been lower in the past quarter. Then, too,

companies such as Vaal Reefs and Western Deep have lost much of the benefits of high gold prices as a result of sharply increased tax under the country's sliding scale formula.

South Africa allows its mines to set their construction and other capital costs against earnings as a tax offset. Thus new mines such as Elandsrand have a long way to go before they become liable for tax. But when they have recouped their spending in profits, their tax rates can rise to over 70 per cent.

At the moment, of course, all are doing well and the interim dividends announced this week by the Orange Free State mines in the Anglo American Corporation group have been truly impressive, exceeding most expectations. Notably good has been that of Western Holdings which is detailed with the others in the following table.

Unless there is to be some political upheaval to send the price of gold spinning up again—and this is always possible—the mines' earnings in the current quarter look like falling to somewhere between the levels of the past two quarters, but the high indicated share yields fully allow for this.

Whether they also fully allow for any increased political problems within South Africa now that African rule has come to Zimbabwe is still tell.

## GOLD MINING NET PROFITS

	March quarter 1980	December quarter 1979	September quarter 1979	June quarter 1979
Blyvooruitzicht	26,486	16,699	12,979	11,439
Bracken	3,721	3,209	2,455	1,896
Ruesselsfontein	32,312	21,957	13,764	13,712
Deelkraal	12,570	8,234	5,754	5,401
Doornfontein	6,444	4,661	4,088	11,605
Durban Deep	25	76	8	382
East Driefontein	61,189	48,306	36,715	30,851
ERGO	28,471	15,332	11,281	8,621
East Rand Pty.	13,971	56,739	54,966	1,356
Elandsrand	3,501	1,969	1,446	1,481
FS Geduld	12,530	4,712	2,007	408
FS Saaipias	49,424	33,800	28,861	24,337
Grootevlei	7,940	5,058	12,473	7,448
Harmony	7,483	5,370	3,180	2,604
Harvestest	37,432	26,329	17,699	17,763
Klaarfontein	45,840	30,749	22,191	22,243
Kloof	10,447	6,501	5,309	4,034
Leslie	41,469	27,896	20,447	16,818
Libanon	3,137	1,749	1,864	1,245
Lorraine	15,441	9,431	6,830	5,995
Marvale	6,950	2,793	12,436	1,443
Marshall	1,704	1,062	916	791
President Brand	46,968	32,726	25,147	27,742
President Steyn	32,021	22,665	20,023	16,610
Randfontein	28,533	31,024	22,596	18,435
St Helena	20,559	13,599	9,756	7,845
South African Land	1,331	829	3519	3,402
Sulfontein	19,535	10,026	5,707	4,278
Unisel	14,731	8,880	—	—
Vaal Reefs	81,023	77,283	46,290	39,697
Venterspoort	6,815	4,011	2,010	1,831
Vlaamfontein	1,892	671	446	407
Welkom	12,102	7,682	7,298	4,544
West Driefontein	64,375	44,740	36,951	29,442
West Rand Consolid.	42,502	92,854	74,866	74,449
Western Areas	24,935	34,216	11,759	8,047
Western Deep	70,784	59,356	39,986	36,747
Western Holdings	35,729	20,024	19,565	16,256
Winkelsaak	17,602	11,745	10,139	7,285

\* Loss. † After receipt of State aid. ‡ Net surplus includes sale of capital items following cessation of mining. § After State aid repayment.

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## YOUR SAVINGS AND INVESTMENTS

Fires in Wales have highlighted insurance problems for second-home buyers. Eric Short reports

## Thorns among the roses

OWNING A second home—for those weekends by the sea or in the country—is becoming a possibility for more and more people.

But the path is not all honey and roses as the recent spate of arson attacks in Wales has highlighted. This has illustrated the dangers inherent in leaving houses unattended for comparatively long periods.

Insurance companies are looking more carefully at their underwriting approach to the insurance of cottages in Wales, although at present no insurance company is prepared to admit that it will not accept the risk, or that it is substantially lifting its premium rating.

Insurance companies are in any case much tougher about insuring second homes simply because the risks involved are that much greater. Because the home is left unattended for longish periods, the risk of theft and vandalism is much higher.

Some companies exclude damage by vandals while the

property is unoccupied, although it may be some comfort that with the usual insurance logic, arson is considered fire damage, not vandalism.

The risk of fire or water damage is not only greater but the claim values are on average much higher. If a fire breaks out in an unoccupied house, then the chances are greater that the property will be completely destroyed. Similarly with burst pipes, the damage is likely to be more extensive.

Insurance companies usually advise that the electricity, gas and water is turned off at the mains and the tanks drained. Common sense precautions perhaps but they can be overlooked. Indeed, some insurance companies make it a policy condition that this is done or else the claim is adjusted.

The rating of these risks varies from company to company. Some charge the same rates as for the first house, but stick on a number of

exclusion clauses. This could, for example, include regular visits to the property by a neighbour at least once a week. Others work out their rates on an individual basis taking into account such factors as isolation, periods of visit and so on.

In these circumstances, the usual advice is to shop round and to get the policy which meets your needs. This, however, would be a waste of time for second homes. Insurance companies, without exception, strongly discourage insurance of the second home unless the first home end/or the contents are insured with them already.

The message that these companies are trying to get across to policyholders with cottages in Wales is that their policy fully protects them and that there should be no problems on renewal.

If you are about to buy a cottage in Wales, your present insurance company should therefore offer you cover, but none will guarantee the price.



Note incidentally that there could be some overlap between contents cover on first and second homes. Normal contents insurance carries a temporary removal clause that gives limited cover to contents while they are out of the home.

It is, however, best to have complete contents cover in the second home. Jewellery is not covered by this clause and is not covered in contents insurance in the second home, so should be dealt with on an all risks policy.

## An option for frustration

## MORTGAGES

TIM DICKSON

FRUSTRATION IS... with apologies to Snoopy and Schulz... sitting on your own gold mine nursing a broken pickaxe.

Thousands of elderly homeowners will know the feeling for due to what many consider an unfortunate anomaly in the Gearing, of course, is a major scheme they have been suffering similar anguish for years.

Option mortgages are designed to help low-paid homeowners get some of the same benefits which the better-off receive through tax relief. Instead of tax relief, the Government provides borrowers (lending institution) which, broadly speaking, reduces the net repayments to the level of a basic-rate taxpayer. The scheme, however, is not available for those who want to take out home income plans.

Home income plans allow anyone over 65 to take a loan, which like a mortgage, is eligible for tax relief, against their house and buy an annuity with the proceeds. It is potentially a sensible way of boosting the income of a group in society whose investment capital more than most has probably been ravaged by inflation. After all, houses may not

This, in fact, was recognised when the current ground rules on interest on mortgages for the purpose of purchasing annuities were drawn up in 1974. Nobody, it seems, considered non-taxpayers, people who in most cases fall outside the tax bracket through no fault of their own.

The official view from the Department of the Environment, which administers option mortgages through the Housing Subsidies Act, is that the scheme was designed for the purchase or improvement of houses, not for augmenting the incomes of those who already own them.

The Government also feels that the eventual phasing in of a full tax credit scheme will benefit pensioners and achieve the same end as allowing the option mortgage on home income plans.

Mr. Jeffrey Selwyn, managing director of Hamro Provident, which has been campaigning for a change, argues that the cost to the Government would be relatively low. Every other group in society, he claims, receives some sort of housing subsidy.

## The highs and lows of split-level

SPLIT LEVEL (or split capital) investment trusts, like split level living rooms, have been out of fashion lately. Once, it seemed, they were a high taxpayer's answer to the need for rapid capital growth. But they fell victim to the disastrous boom and bust of the mid 1970s and since then have never really recovered their former status.

Split capital investment trusts are remarkable for two reasons at least—high gearing, which is inherent in their capital structure, and the provision of a fixed date when the trust is wound up and shareholders get their money back. Conventional investment trusts shareholders of course can cash in their investment only by selling in the stock market or, more drastically, through a forced liquidation.

Later this year Acorn Securities will become the first British split level investment trust to be wound up under its Articles of Association. No date has yet been fixed (directors do not like discussing the death of their company) but the event may serve to reawaken interest in what has been a largely dormant and obscure sector.

Ordinary shareholders of conventional investment trusts, and indeed of all companies, get the benefit both of dividend distributions and any increase in the capital value of their holding in the market.

As the name suggests, however, split-level trusts have two distinct classes of capital—income shares and capital shares—each entitled to their own reward.

Capital shareholders, for example, usually participate only

in the capital appreciation of the trust's assets—hence the need for a specific winding-up date or some other form of asset distribution. Income shareholders, meanwhile, tend to receive all the revenue from the trust's assets and usually no more than the par value of their shares at winding up or "redemption".

One of the most significant features of these vehicles is the high level of gearing for both classes of shareholders. This is because each group has the entire portfolio of assets working in its favour.

Take, for example, a split capital trust financed by £10m of income shares and £5m of capital shares. Assuming that the £15m portfolio grows by one-third to £20m at the end of the first year, capital shareholders will see their share value rising ahead by no less than 100 per cent—£20m minus £10m of prior charges (i.e. the income shares at par)—£10m, compared with their original subscription of £5m.

Gearing, of course, is a major disadvantage in falling markets. As with gilts, there is a "redemption" date at which point the assets of a split capital trust are almost certain to be distributed. Unlike gilts there is no fixed coupon (in the case of the income shares) and no definite capital repayment (in the case of capital shares). Performance depends respectively on dividend and asset growth, not simply moves (and expectations of moves) in interest rates.

Split level income shares, in fact, have done relatively well over the years. They are in most cases standing at a premium over the redemption price.

asserted the importance of income as an objective for investors and thereby reduced the appeal of capital shares.

On the other hand, he points out, capital shares were not rated (as logic suggests they should have been) when the scrip issue loophole was closed in 1976.

Scrip issues (in lieu of dividends) were a popular and convenient way of helping high taxpayers lighten their tax liability by offering capital instead of income.

Mr. Garth Milne of stockbrokers Laing and Cruickshank, feels that split capital shares have perhaps proved too complicated for investors. Fancy capital structures, often thought up as clever marketing gimmicks, have discouraged those who might otherwise be interested.

A further drawback, he points out, is that many of the shares are tightly held and markets are therefore thin—split capital trusts account for only a very small proportion of the entire investment trust sector.

It is, however, fair to say that all these factors become less important as winding up dates approach.

Acorn, a small split capital investment, will be first to disappear later this year. But bigger oak trees are scheduled for cutting down before long—Anglo International (price 137p, discount 38 per cent, fixed winding up 1985) and Rose-diamond (winding up 1988), among them.

If Mrs. Thatcher's change of direction persuades investors to widen their horizons, capital shares may well turn out to be very good value.

Tim Dickson

## IN BRIEF

## End of a sorry saga

THE SORRY saga of Vehicle and General Insurance, the motor insurance group which went into liquidation nine years ago, is finally coming to an end. Around 450,000 policyholders with that company and its two subsidiaries will shortly be receiving their third dividend payment of 10p in the pound.

This being the amount declared by the liquidators, Mr. Paul Shewell of Coopers and Lybrand and Sir Kenneth Cork of W. H. Cork Gully.

The fourth and final payment is forecast by the liquidators to be paid at the end of next year and will bring the total payment for V and G policyholders to 70p in the £. Automobile and general policyholders, meanwhile, will receive 90p in the £ and General and Commercial policyholders 72p in the £.

A couple of major injury claims are apparently all that remain to be resolved.

The payments announced this week are far higher than were originally forecast—50p was the figure for V and G at the time of the first payments. Moreover, since there were 700,000 policyholders at the time of collapse, it is obvious that many have not bothered or are not aware that they have the right to get some of their money back.

These people have forfeited the right to the first two payments. But if they hurry, they are entitled to the current payment and the final one. Any queries should be addressed to the Joint Liquidators, 1 Noble Street, London EC2V 7DA.

A HIGHER annual management charge was approved this week

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## Diary of a small investor

RECOVERY FUNDS occupy two of the three top places in the Unit Trust performance table 1974-79.

Since 1950 I have bought little else but depressed high-yielding shares for recovery, and no-one in the lively correspondence following by 1977 FT series disputed the solid statistical evidence furnished by my collaborator, Mr. E. C. Farrington, in support of the view that the stock market undervalues this class of share.

The time-honoured safeguard against buying when there is still worse to come appears to be based on the experience of an American, Mr. Cyrus K. Hatch, who exploited the ups and downs of the whole market. In 1971 he evolved a plan of buying shares at 10 per cent above an index low and selling out completely at 10 per cent below a high.

Between 1971 and 1980, when he died aged 90, he bought 24 times. Fifteen resulted in an

average profit of 44 per cent, the remainder in an average loss of 51 per cent. Cyrus amassed a large fortune.

An improvement of 10 per cent in a company's rating relative to the market as a whole for it is essential to offset market trends by divesting successive shares prices by the share index—represents a substantial upturn—following a steep decline.

One first short-lists one's recovery candidates on their individual merits. Other things being equal, I avoid one-product companies, and prefer sectors like foods, stores and shoes to unduly risky ones like toys and financials. In all cases I look for a high net asset value.

Should one then defer a purchase until the share has risen 10 per cent from a low, compared with the whole market? I did not do so when I bought Tete and Lyle at 165p on May 22, 1978, down from its 1977 peak of 285p. They rose to 186p

The first of two articles by Mr. A. H. Carter, whose Diary of a Small Investor appeared in seven issues of the Financial Times in 1977, describing how his initial investment of £3,000 during the fifties, supplemented by £12,500 in the seventies, grew to £113,083 on 25-10-77. Previous instalments can be found in the FT on the Saturdays between February 12 and March 12 and on Saturdays December 10 and 17, 1977.

On January 5, 1979, but narrowly failed the 10 per cent test owing to a rise of 3 per cent in the FTA all share index.

All seemed set fair, however, when they were included by a leading newspaper commentator in his Nine Recovery Stocks for 1979. A month later, after the company had cut its dividend for the first time since 1930, the shares had slumped to 141.

When J. D. Rockefeller was asked how he had made his millions he replied: "By never buying at the bottom or selling at the top." Implying, presumably, that it doesn't pay to be greedy if you always buy at 10 per cent above what you judge to be the nadir, the true cost if you are right is not 10 per cent but 20 per cent, for you will have bought 10 per cent less

shares than you would have done for the same outlay at the bottom.

If, on the evidence I shall consider next week, one rejects the 10 per cent touchstone, are there any other working rules? I will give you mine.

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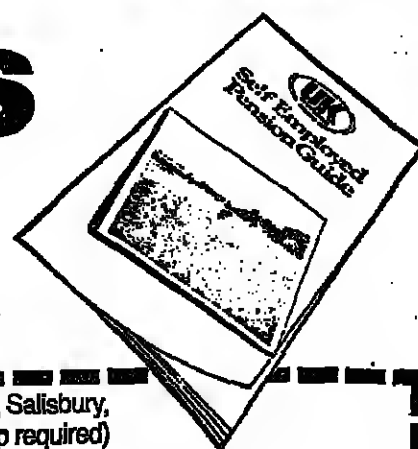
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## GARDENING



Kiftgate Court, Gloucestershire

The superb weather that parts of Britain have enjoyed in recent days has once again focussed attention on the garden. This Spring encouragement—as if the British needed such encouragement—has come from our television screens with some excellent programmes on our national fascination with gardens both modest and majestic. The English Tourist Board is putting a determined effort into ensuring that both local residents and foreign visitors are aware of the enormous wealth of garden splendour that is available. It has produced a Visit and English Garden guide (75p, 90p by post) which is in itself a tempting taster. Also recently published is this year's *Gardens of England and Wales Open to the Public* (National Gardens Scheme, 50p). There is an ocean of brochures and booklets on regions and individual gardens and houses. Your local tourist office will have many. The English Tourist Board is at 4, Grosvenor Gardens, London SW1W 0DU.

## That problem can of chemicals in the tool shed

BY ARTHUR HELLER

NAMES OF chemicals are becoming almost as confused and confusing as the names of plants and, since they are far less used by gardeners and are always restricted to the smallest of small type on manufacturer's labels, I am not surprised that occasionally there are some quite serious misconceptions. Chemists have a habit of using a kind of shorthand of initials, sometimes with figures added, for some of the more complex names and then, when we have got thoroughly used to them, deciding to change them. By this route hexachlorocyclopentadiene became BHC and this was changed a few years ago to HCH which few gardeners

recognise as the same thing. However, what really drew my attention to this kind of difficulty was a complaint by a friend that she could not find any lawn weedkiller that did not contain "that dangerous chemical" that had been advised not to use. Clearly she meant 2, 4, 5-T and at first I was puzzled as this is a brushwood and nettle killer and is not used in any selective lawn weed killer. Then it dawned on me that she was confusing 2, 4, 5-T with the very similarly named 2, 4-D and I found myself wondering how many other gardeners are making exactly the same mistake. It would be a pity if this caused sales re-

sistance to an excellent herbicide which has never been under any cloud. 2, 4-D is one of the best lawn weedkillers, either on its own or mixed with other herbicides, such as mecoprop, dicamba or fenuron, which kill clover and some other lawn invaders that 2, 4-D is liable to miss. On its own 2, 4-D is the most effective broad-leaved (convolvulus) killer. I know but I have yet to compare it with glyphosate (Tumbleweed or Roundup) for this purpose. Although mixtures of 2, 4-D and 2, 4, 5-T are available, they are always sold as brushwood killers and the 2, 4-D is there to kill weeds growing among the

scrub, hrambles, etc. Such mixtures are not intended for use on lawns and it would be wasteful to use them for that purpose.

I am frequently asked for my opinion about the 2, 4, 5-T controversy. Is it the dangerous and insidious poison it is sometimes accused of being? Should it be banned completely for garden use, or can be continue to use it for its own particular purpose?

As to the first of these questions the answer was that anything poisonous is potentially dangerous if carelessly used. To the second I must say that I am content to accept the verdict of the Government's Advisory Committee on Pesticides since this is composed of independent specialists none of whom represents any manufacturer. At the moment there is no official proposal for a ban so one must assume the experts are convinced that there is no risk provided proper precautions are taken.

However, it would seem prudent to err on the side of extra caution. 2, 4, 5-T is only likely to be required in large gardens, and particularly in wild or woodland gardens in which it is easy for brambles, scrub and nettles to get the upper hand. There seems to be no good reason for using it in small gardens unless in exceptional circumstances where scrub, brambles or nettles become established in places from which it would be almost impossible to dislodge them by other means.

I have such a problem in a disused quarry in which brambles seed themselves into crevices from which it is impossible to drag them without bringing stones showering down. My system is to cut them off close to the rock face and then, in spring, just as the stumps are starting to push out new shoots, to spray these with

a small hand sprayer. Each stump is treated individually with the spray nozzle no more than 3 or 4 cm. away from it and with only one brief squirt for each. In this way there is no spread of herbicide nor any drip and it is difficult to see what harm can result to anything except the brambles.

Many chemicals have acquired a bad name from large scale agricultural, forestry or roadside use. Spraying equipment is used to cover large areas rapidly, sometimes from low flying aircraft and a lot of the chemical inevitably drifts where it is not wanted and may do a great deal of harm.

With 2, 4, 5-T there is one other aspect which cannot be overlooked. There are dangers in its manufacture which have nothing to do with any possible dangers in its use. Is it justifiable to risk the health or lives of factory workers or of people living near a factory producing the chemical? That is a moral question to which each user must find his or her own answer. For my part I shall be relieved when an effective hramble killer is available that has no such special manufacturing hazards.

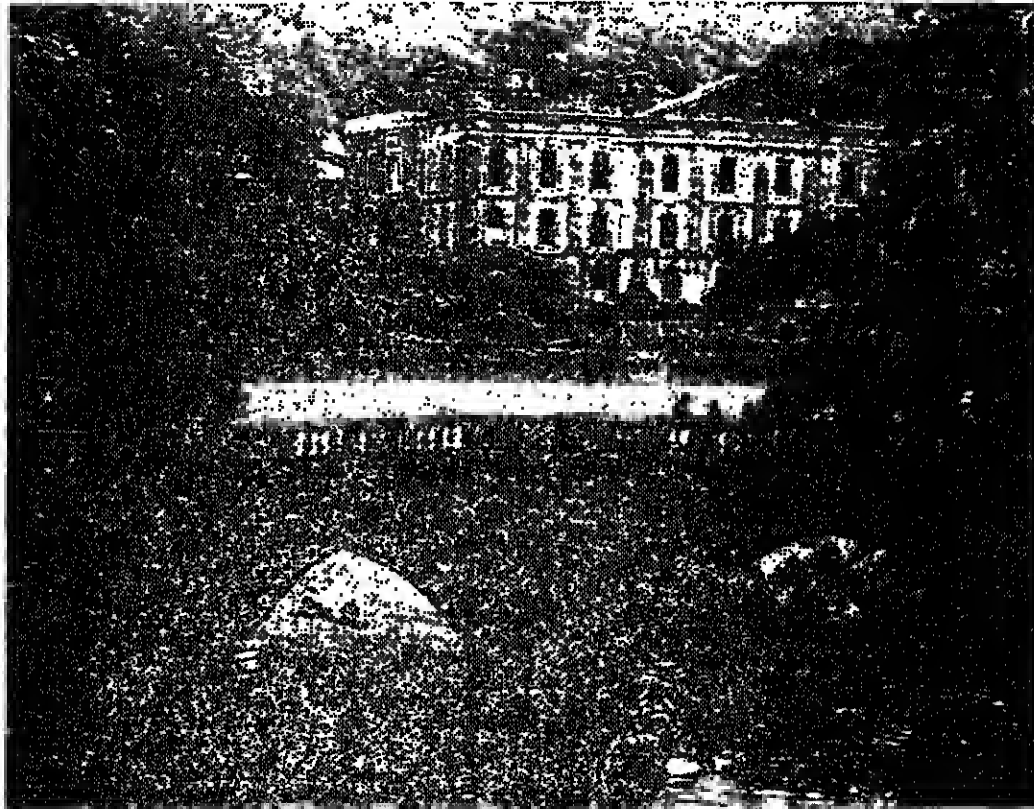
It is possible that glyphosate may provide the answer, and if so I will change to it even if it means giving two or three applications instead of only one. It certainly seems to be effective in killing many quite deep-rooted weeds but I think one will have to be even more careful with it than with paraquat since I gather it can be absorbed through roots and thin bark, which paraquat is not. It would seem safest to use it as a fine spray to prevent excessive runoff and with a hood of some kind around the spray head to prevent drift.

At the moment I am using glyphosate on sheep's sorrel, a weed that has defied me for

years, since its thread-like roots always break off when one tries to drag them out and every tiny piece left in the ground seems capable of growing into a new plant. It also regenerates quickly from all the herbicides I have tried, probably because the roots are not completely killed.

Again I favour the most accurate possible spot treatment with a small, trigger operated hand sprayer held very close to the sorrel leaves. With one bad free, it is possible to hold a piece of cardboard to protect plants around which the weed is growing. In fact, application presents few problems and that the sorrel leaves will die after treatment with Tumbleweed I do not doubt. What I wait to see is whether those wretched roots, which can penetrate the tiniest crevices or get themselves inextricably mixed up with the roots of garden plants, will also die.

An acquaintance who manages a complex and heavily planted 10-acre garden with only his own labour and one helper and succeeds in keeping it in impeccable condition, uses glyphosate and some other herbicides in another way which he finds safe, quick and effective. He prepares a solution in a bucket, dons a pair of surgical rubber gloves, and then pulls on a pair of woollen gloves over these. He can then dip a hand in the bucket and either stroke or punch any weed he wants to kill. Before using this very simple method he had invested in one of the special herbicidal gloves that are connected by a pipe to a canister containing the chemical to be applied. This is pumped from canister to glove by opening and closing the hand but he found this tiring and prefers his own simpler device. It might even be possible to deal with intractable pests such as oxalis by this means.



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## FASHION

ARTHUR SANDLES



Tommy Nutter



Austin Reed's mixture.

## Clothing for the gadabout

"TRAVEL," it is said cynically, "only broadens the suitcase." The average travelling businessman certainly has to cast all ideas of cutting a fashionable dash in all surroundings and settle instead for looking as well as he can under trying circumstances. In theory the gradual acceptance of American airline practice and doing away with ridiculous weight restrictions on baggage has eased the problem. In fact the weightiness of baggage is more of a difficulty for the muscles of the traveller than for the airline, and the poor traveller is still stuck with the question of what to pack.

The weather in southern Britain at least over the past few days has accentuated the difficulty. What do you wear when you may be flying from a heat-wave to icy cold and be required both to play golf and formally entertain while away.

Fortunately the rush to the conventional in the world's clothing industries is something of a help. The good old classic suit in a fairly lightweight material is once again coming into its own. Designer Tommy Nutter (above) offers his own version of what is currently going strong.

Austin Reed has now accepted that the businessman has a problem in this field—whether travelling or not—and designed a suit range which does what I have been doing haphazardly for years. I have a couple of blazer suits, one in beige and the other in navy, which I mix to give a varied range of clothing from two basic outfits. Austin Reed is now offering

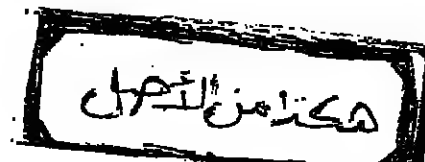
blazer suits, single-breasted, with matching waistcoats in wide range of colours. In its case two three-piece suits offer the prospect of five different outfits.

The suits (illustrated top right) would cost £125 each if bought complete, but each item can be bought separately. The blazers are £89, the waistcoats and trousers £28 each. Six plain colours—camel, mid-blue, navy, fawn, stone and sage—are available.

Mr. Roy Ward, merchandise

director of Austin Reed, is clearly enthusiastic about the project, reckoning that women have been mixing and matching clothes for years. "If men adopted this attitude to their clothes they also would be able to give the impression of having a bigger wardrobe than they actually possess, and thus get the maximum impact and value from their spending."

Also shown is another useful classic. This time a sports-jacket from Aquascutum (lower right). It sells for £









## BOOKS

# Making tracks

BY C. P. SNOW

Travellers in Europe  
by J. G. Links, Bodley Head,  
£10.00, 253 pages

In the year 1518 Erasmus, with much misgiving, had to commit himself to a journey from Basel to Louvain. Erasmus was a fastidious man, which was inconvenient in his period (and for much later). His detested amells and noise. His digestion was delicate. He suffered from piles. He was 50 years of age, getting old in the 16th century. He was something of a hypochondriac. Needless to say, he was not well disposed to travel. He had a peculiarly miserable time. He was a very good writer, though, and he left an account of what, to a man like himself, such a journey was like.

He was famous, and he wasn't poor. Hence he was travelling as comfortably as any but an official personage. That, however, was not saying much. He couldn't decide whether coach travel (coaches were hard to find, still without spring suspension, the roads were dreadful, one was rickety about as in a farm wagon on a bad country track) was preferable to getting on to a horse, which was the standard means of travel, but which wasn't good for his piles. Inns were unspeakable: fetid, packed with riotous drunks, sleeping together in crowded rooms. Food unpalatable.

As a rule, since Erasmus had literary admirers all over Europe, he could beg a bed in a

private house. That was slightly better, but he remained half-starved. His ecclesiastical acquaintances didn't have much in the way of food acceptable to his queasy stomach. He did his best with cold carp, which made him ill. That was the best, and actually the only dish, his host could offer. At the next stopping-place, the only dish was stewed eels, which he couldn't eat at all. There was a fair amount of wine, but it was always sour.

Poor Erasmus. He was over-reformed, of course, but one had to be pretty hardy to travel with equanimity in Renaissance Europe, or in fact at any time between the Roman Empire and the late 19th century. Just read about the journeys of Dickens to and from Genoa, or Trollope's over large slices of the world. Those were both tough men physically, and didn't pay much attention to discomfort. But reading their travel notes reminds us that land journeys weren't specially agreeable until about the 1890s, and sea journeys until 20 years later. For the comfortably off, those were the two most luxurious travel epochs yet known. Modern topological travel propels one from point A to point B, but is regrettably lacking in *luzze, calme, et volupté*.

Mr. J. G. Links, who has written with love and knowledge about Venice and has had the bright idea of collecting some autobiographical accounts of travels from the time of

Horace down to that of Pevy. During those 1,700 years there was no improvement in amenity. It was probably pleasanter for a well-to-do Roman to get from Rome to Brindisi than for George III to move from Windsor to Weymouth. The Romans had carriages, no worse than those the European upper-class later used. The Roman staging arrangements seemed to have been at least as efficient.

Carriages were beginning to become available, at considerable expense, for some of Links's Renaissance travellers, but were very rare in London as late as 1800. Links adds an Appendix to his book describing Pevy's aspirations to possess his own private coach—as a sign of social success, rather as in the early 1900s he might have dreamt of his own sea-going yacht.

Nearly all Links's excerpts are diverting, and most of them provide out of the way information. A good many, because of Links's special knowledge, tell something new about Venice, either as the pilgrims' transit port for the Holy Land, or later as the great pleasure capital of Europe. The Venetians, who knew profitable trade when they saw it, made money out of both activities. Their organisation of the holiday traffic might be taken to heart by modern resorts. The city had to be safe, well-policed, no crime against foreigners. Hotel tariffs had to be published and observed. Girls on sale (one



Holbein's drawing of Erasmus in his own copy of "In Praise of Folly"

of the great Venetian allurements) had to be registered and clean. For seventeenth or eighteenth century Englishmen, it was the ideal city of vice, rather like a much more beautiful and more glamorous Las Vegas.

The only complaint, reported in Links's book by an elderly priest just returned from a pilgrimage, was that the food wasn't all that it might be. The grain market was impressive, the fruit and vegetables, carried down the Brenta, were

fresh and fine. But the meat wasn't up to much, there was too much boar in one's purchases. And finally, old Pietro Casola says mournfully that he never saw a good fish. That was in 1494. About a century later he might have had the consolation of seeing a good fork. The Venetians were the first to introduce those new-fangled objects into Europe.

Links's book is good value for anyone who either likes meditating on past travels or is contemplating a fresh one.

## Fiction

## Fugard's fury

BY MARTIN SEYMOUR-SMITH

Tsotsi  
by Athol Fugard, Rex Collings,  
£5.00, 168 pages

Atlantic City Proof  
by Christopher Cook Gilmore,  
Gollancz, £5.95, 261 pages

The Belles Lettres of  
Alexandra Bonaparte  
by Helen Muir, Hutchinson,  
£5.95, 138 pages

The Long Hot Summer  
by Rosemary Friedman, Hutchin-  
son, £5.95, 298 pages

The Spy's Wife  
by Reginald Hill, Collins, £5.95,  
156 pages

Athol Fugard is best known as a dramatist—now one of the foremost in the world—who deals with politically explosive material in a notably compassionate, unsensational and unbiased way. Against the violence of sectarian argument, often ignorant and opportunistic, he sets the values of humanity. He deals with the world he knows, without cliché, and his understanding of it is profound. His equivalent in poetry is David Wright, another writer born in South Africa.

Fugard's first successful play, the one which brought him to the notice of the world outside South Africa, was *The Blood Knot*, which he wrote in 1959-60. At the same time as this he wrote a short novel, *Tsotsi*, which for years has lain

"almost forgotten" in a suitcase. Only recently did he recover the manuscript, put the final touches to it, and publish it—it has already appeared in South Africa, and now appears here. It is a real find, by one of the most affecting and moving writers of our time.

*Tsotsi* is the name given to the leader of a murderous gang in Sophiatown, Johannesburg—a place in the 1950s somewhat like Soweto is today. He is the product of a society whose characteristics are well known, but he is also very much himself. He is frightened of "nothingness," because "he believes in it." His and his gang's casual-seeming nihilistic desperation—terrifyingly conveyed in the opening pages—is certainly partly the result of "slum clearance" that is taking place in Sophiatown. But Fugard manages, in a prose that is often paradoxically lyrical and poetic, to impart a sense of the individual beings of each of his characters.

*Atlantic City Proof*, from America, is about an eccentric couple who take to bootlegging in Atlantic City in the 1920s. This first novel is in the now (and for some time) fashionable picaresque style, interspersed with lyrical interludes. That much is frankly tedious. But Christopher Cook Gilmore does have a story to tell, and he tells it fluently and often humorously. It seems to me that he is rather hidebound by the amoral and now almost dated genre he has chosen. That he would have written a more successful novel had he not relied on a form that is still reasonably popular, but hardly suitable for his romantic purposes.

*The Belles Lettres of Alexandra Bonaparte*, the third novel by Helen Muir (this time an English writer) is also in the picaresque tradition, but is much more successful and artful and funny. The heroine, as unconventional and preposterous as her name, likes to create chaos, have her own way, and have fun. She becomes secretary to a successful doctor.

## In short

A Lincolnshire Village by David J. A. Steel, Longman, £8.50, 242 pages

David Steel's study of Corby Glen village (the word "steel" is not mentioned in any other context, the town of Corby occupying a different place on the map) is no rustic idyll. Written for the Willoughby Memorial Trust, it is a book of mainly academic interest and owes its origins to a two-year research project into the life of country communities. It now provides the local archives office and future generations with a "book of the village" as seen in 1975 with reflections upon the village's cycles of growth and decline since the 18th century.

To spite of changes of fortune during the last two centuries, including the new railway in the mid-19th century, Corby's essential concern has always remained with the land and Dr. Steel has delved into various aspects of land-ownership and management and the great estates. Two hundred years ago all this lay in the hands of a few leading families; now investment trust and insurance companies are buying up tracts of land.

On education and rural life sketches of local colour stand out in their scarcity. Considering the author was a member of the village and the cricket club for two years one might perhaps have expected a little more jam spread over this book's relatively plain bread.

KATE MORRISON

Heroes and Heroines  
edited by Antonia Fraser.  
Weidenfeld & Nicolson,  
£7.95, 294 pages

Hero-worship is a natural and human passion that cannot be stamped out. In *Heroes and Heroines*, Antonia Fraser introduces a collection of essays by five historians who have all written a tribute to their special heroes and heroines.

Throughout this excellent compendium the reader is introduced to a variety of heroes and heroines—some familiar and some not so familiar but each one is endowed with a particular inspirational quality. They capture our imagination, helping us to aspire to great things.

The courageous heroes of the classical era were inevitably tragic figures because they fought and died to give the world its civilisation and its liberty. They encouraged the potential in man and developed a cultured, educated and intellectual society. We revere the memory of those who helped forge a moral code and encouraged virtue.

A whole chapter is devoted to great men and women who gave their lives to a cause. For Byron, to liberalism, for Florence Nightingale, to nursing. Most of them are remembered for their brave feats on the battlefield.

The heroes and heroines of the modern age represent a new lineage. They are winning recognition by technical and scientific achievement, by exploration and expostulation.

LUCINDA WETHERALL



Cover design on the first edition in 1872 of "The Birth of Tragedy from the Spirit of Music"

## Tragic wisdom of Nietzsche

BY JEFFREY MEYERS

Nietzsche: A Critical Life  
by Ronald Hayman.  
Weidenfeld & Nicolson,  
£18.50, 424 pages

The ideas of Nietzsche, like those of Marx and Freud, have had a profound influence on the cultural and intellectual life of the twentieth century. Freud, who admired Nietzsche as a precursor of his own ideas about the unconscious and the multiple self, maintained the philosopher "had a more penetrating knowledge of himself than any other man who ever lived or was ever likely to live."

Like Kierkegaard and Kafka, Nietzsche was also tormented by the woman he loved and forced to abandon all hope of a normal existence. There was a striking difference between his lofty thought and his miserable life of isolation and illness. He seems to have either infected himself with syphilis in a Cologne brothel or inherited the disease from his father. He could speak, as Pope did, of "that loathsome, my life."

Yet his mind was most acute when his suffering was most intense. "To give birth to a dancing star one must have chaos within oneself." His commitment to the "pain of truthfulness" amidst shattering migraines and agonizing phlegm-wretchings produced his revaluation of all values that extended beyond good and evil. His ideas about the blond beast, the Superman, the will to power, self-transcendence and eternal recurrence, and his astonishing pronouncement "God is dead," repudiated the entire tradition of idealist philosophy and replaced contemporary reality with his vision of superior man.

Ronald Hayman's superb biography reveals the vital connections between Nietzsche's background, friendships, illness and ideas. It is especially good on his rejection of the reverential authoritarianism and fanatical piety that he inherited from generations of pastors, his relationship with Wagner, and his medical history and madness.

As a self-proclaimed immortalist, he parodied the New Testament in the erotically inspired *Zarathustra* and suggested an alternative to what he considered the false humility and vain self-assertion of Christianity. He paradoxically called Jesus and Socrates "covert suicides—each of them, wroth to die, had let his breast be pierced by a sword in the band of human injustice."

The young Nietzsche, who had a genius for friendship, developed an intense relationship with Wagner that was partly based on their admiration for Schopenhauer, who believed music represented the fullest development of art. Nietzsche's belief that Wagner's sensual music was essentially Dionysian inspired his first book, *The Birth of Tragedy from the Spirit of Music*. But a break became inevitable when Wagner expressed his openly acquired "more joyousness in search of a propitious climate."

Hayman's characteristic sentence: "After staying the night in Frankfurt he set out for Basel, but had to interrupt his journey at Freiburg, where he had a night of vomiting," summarises years of restless misery.

In January, 1889, Nietzsche, who had been suffering delirious of grandeur, saw a Turinese cab-driver beating his horse, sang his arms around the animal's neck and collapsed irrevocably. Years later a friend saw him in his room "half-crouching like a wild animal morally wounded." His sister Elisabeth, "a vengeful semi-Semitic goose," gained possession of the invalid as well as of his literary estate. She began the profitable distortion and exploitation of his work that was continued by the Nazis, and treated the Antichrist to a traditional Lutheran funeral.

## Mad ship

Night Run from Java by Gavin Black, Collins, £4.25, 195 pages

Another of Gavin Black's Far Eastern thrillers. This one takes place almost entirely aboard ship, a cranky, near-obsolete old tub that seems to date from Conrad times. You may become a bit confused by the constant abrupt shifts in events in the latter part, but the main line of the story is always clear. A book that is fun to read.

WILLIAM WEAVER

## Sunny side up

BY PETER KEATING

The Optimists: Themes and Personalities in Victorian Liberalism  
by Ian Bradley, Faber, £12.50, 301 pages

"There is no future for men, however brimming with crude vitality," Bernard Shaw pronounced in his preface to *Man and Superman* "who are neither intelligent nor politically educated enough to be Socialists." That was in 1903. Two years later the Liberal Party was returned to power with a massive majority and set out immediately to introduce a programme of social reforms that fully demonstrated the truth of Shaw's pronouncement. John Morley, the distinguished biographer of Gladstone and a member of the 1905 Cabinet,

was soon noting ruefully that "Socialism is the key to our politics," and in 1915 it was Morley again who drew the obvious conclusion: "Liberalism, as we have known it, is dead beyond resurrection."

Liberalism as Morley had known it is probably still dead beyond resurrection. As Ian Bradley argues in *The Optimists* Liberalism was essentially a phenomenon of the second half of the 19th century, developing gradually out of the debates that followed the 1832 reform bill and becoming virtually a synonym for Gladstonianism. It was aggressively middle-class and drew its strength from an amalgam of interests made up of Nonconformists, the "Manchester School" of free trade businessmen, the professional and intellectual classes, human-

ists, rationalists, and the newly enfranchised ten-pound householders: it also attracted members of the labour "aristocracy" and a number of trade unionists. While Gladstone was Liberalism's undisputed political leader, John Stuart Mill was its most prominent theoretician, and Cobden and Bright its most ardent free trade publicists.

Dr. Bradley's subject is Liberalism rather than the Liberal Party. He argues that what united these seemingly disparate elements was not a pragmatic concern with party politics but deeply held beliefs in certain fundamental principles: notably opposition to inherited power and privilege, the encouragement of individualism through the free play of economic forces, a foreign policy of non-interven-

tion, the spread of education, and a fierce distrust of centralised government. Liberals disagreed among themselves on nearly all of these issues and Dr. Bradley is particularly good at explaining and clarifying points of disagreement on education, for instance, and, crucially, on the morality of the government financing reforms which it was felt were better left to voluntary agencies. Above all the Liberals shared a faith in individual endeavour and "progress" which Joseph Chamberlain once defined characteristically as "the law of the world." For a while they were Optimists.

But the period of true optimism was brief and the Liberals discovered that they were constantly being forced to compromise their principles.

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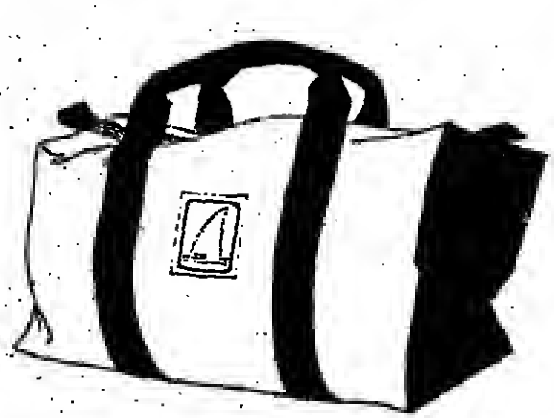
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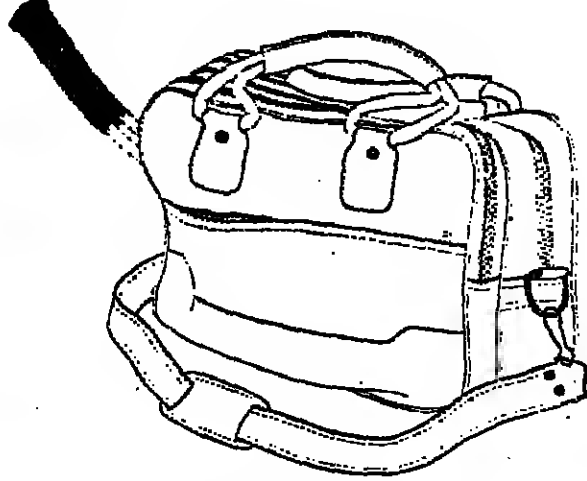
## HOW TO SPEND IT

هكذا من المال

by Feona McEwan



Bags of luggage—the evergreen Carry-All bag, left, without which no sailing enthusiast is complete, is now sought after by sportsmen and travellers. Packs flat, this small size is 21 x 10 x 8 in (good cabin size), £6.40 plus 50p p&p. Made of robust PVC-coated nylon in navy with white or yellow or orange or pale blue from Captain OM Watts, 48 Albemarle



Street, W.1. Offering stylish value for money is this pleasing holdall, right, from Littlewoods' own range. In soft brown, black or tan polyurethane, 18 x 13 x 3 in, it costs a modest £9.99 from selected branches.

Celia Baker

## Every body beautiful

THERE WAS a time when a "sporting fellow" meant a chap with an amiable disposition. These energetic days he (or she) is likely to be someone who spends his spare time scantily dressed, a heavy breather, sweating profusely, in hot pursuit of a bouncing ball—in the name of physical fitness.

Others of the breed prefer solo exercise. Notably the commonly-spotted Briton who emerges at dawn, dusk and lunchtime, mostly in urban areas, to slalom around lamp posts and bus queues. He is of course the jogger, who despite the sceptics is showing no signs of hanging up his running shoes.

For just in case you hadn't looked lately, the business of keeping fit is now a growth industry. You just have to look in the office, or in the home. They're all at it—nipping off for a lunchtime dance class, a morning jog, an evening workout in a gym.

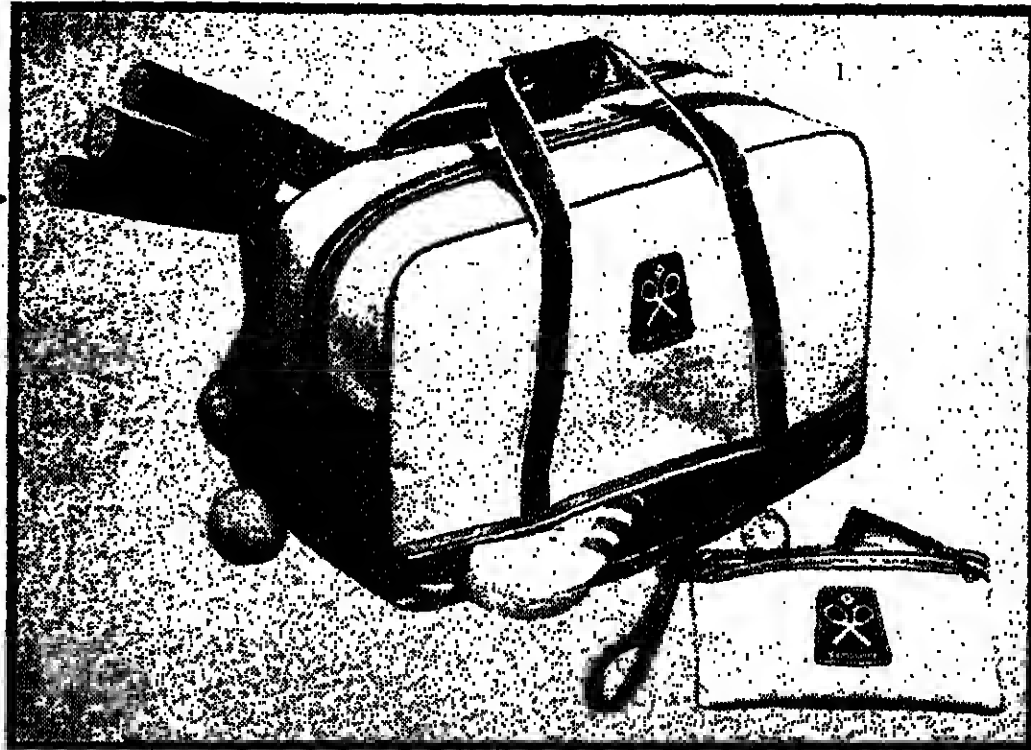
With specialist sports shops reporting booming sales, sports centres filling up as fast as they can handle, and fitness magazines listing within weeks of opening, the signs are that many an armchair sportsman is quitting his seat and grabbing his slice of the action, be it a gentle jog or a blistering squash game.

Last week, a sedentary businessman I know, noted for his ever-so-staid ways, stunned his friends by announcing he'd acquired a pair of running shoes and he now never set foot in the office before his morning constitutional round the block. A symptom perhaps of the epidemic?

The stores tell the same story. Once hard pressed to locate their sports rack, now you can wander round whole departments of enticing garments and gear. Selfridges and Harrods in London are about to launch spanking new sports departments and Debenhams, after opening Adidas shops within a stone's throw of the Oxford Street branch and Swan and Edgar, plan to open 11 more in their main provincial stores from Southampton to Stirling before the year is out.

Another sure sign of popular demand is the entrance of the high street chain stores into this market. If you're looking for basic sports dress, shirts, shorts or trackuits (from about £14) you can do better than home in your local mail order. British Home Stores, or Littlewoods branch. They provide some of the best priced items around in good serviceable colours and easy-care fabrics.

Just last month another giant, Empire Stores, the country's fifth largest mail order catalogue, endorsed the sports boom by launching a separate and excellent sports mail order catalogue, Sports and Pastimes. Here you'll find latest designs



from leading brand names including Fred Perry, Slazenger, Dunlop, Adidas, and unlike the traditional agent-only credit-term form of catalogue buying, this is a straightforward mail order operation, open to anyone. Available free from Sports and Pastimes, PO Box 3, Horbury Road, Wakefield, West Yorkshire.

Even the underwear manufacturers are getting in on the act. Beret has just brought out a Sport bra, believed to be a first, with cotton absorbent lining and breathe-easy mesh, plus the vital non-slip straps. Available in white and natural, sizes 32-36A; 34-38 B/C for about £5.50 from major department stores.

One likely reason for the fitness fad is an increased awareness of the medical significance of keeping the body beautiful and in good running order. The fashion industry too, by unashamedly rifling the sports cupboard for ideas, is responsible for making the whole exercise syndrome (dare one say it) fashionable. The styling, fabrics and colours of what were once purely functional garments, are now vastly improved and appeal to both the active and inactive alike. Even those who are not sportsy are now keen to look as if they are.

Sports shops report a steady stream of buyers who have no intention of taking to the track. Trackuits, in particular, are bought as much for gardening in, lazily around the house or even going to the office in, as for running round the block. For those who haven't yet discovered it, perhaps the most colourful and exciting collection of trackuits around is to be found at the Dance Centre, 12

The complete holdall for tennis, badminton and squash players, Sarsonite's Sport Bag has sensible sections for carrying rackets and isolating sweaty shoes. 20 x 12 x 9 inches, in marina blue or white, £27, from major department and travel goods stores.

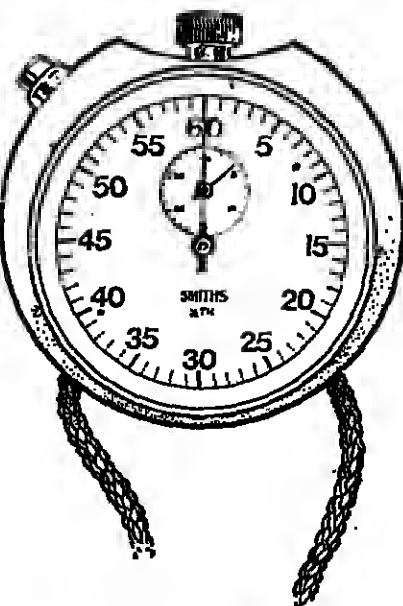
Floral Street, London WC2, which as much as any body is responsible for making the garment fashionable. They come in varying styles, both velour and towelling, in no less than 25 mouthwatering colours, both fondant and brilliant shades. Prices are from £28.50 up to £59.30.

Now, as a result of persistent requests, men can shop there too, choosing from raglan or collared style trackuits. While the Centre no longer produces a mail order catalogue (designs of these and the rest of the equally desirable leisurewear, sweatshirts, teeshirts, t-shirts, dresses, are constantly changing) it will send a price list on request and is happy to send on approval. Postage and packing on any garment is 75p.

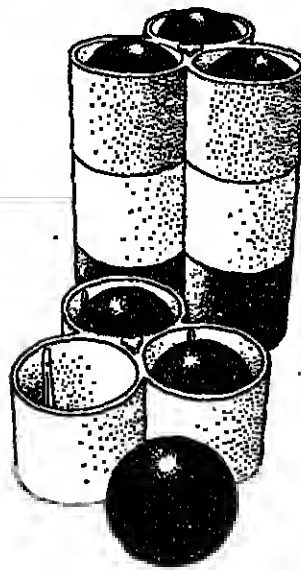
If it's regulation keepfit/dance/jogging garments you're after in the more standard colours, don't neglect your local high street shops where the prices are likely to be appealingly low.

Today's bright nylon grip bags, too, are distinct copies of the yachtsman's traditional holdall. Captain O. M. Watts', the well-known chandler at 48 Albemarle Street, London W1 reports increased sales of their holdalls (see illustration). Write to them for their sailing wear free mail order catalogue.

Here, as summer beckons, I've picked a few good buys to appeal to the sporting fellows among you.



Keeping pace of the times—1/10 of a second stop watch by Smiths, left, enticingly cased in bright blue with white cord for hanging round the neck, £13.60 from branches of Inter-sport and H. Samuel. For the squash player, ingenious stacking ball



holders, right. Each 3-ball unit is a different colour indicating the four ball speeds. By Sveet Sports from John Lewis Partnership stores, £1.60 per unit. Both are available mail order from the Design Centre Shop, 28 Haymarket, S.W.1 add 50p and 60p p&p respectively.

Frank Wheeler

## Artful deception

FLOWER DEALER Michelle Sigg was tickled pink when at a recent Trade Fair a fellow exhibitor rushed onto her plant-filled stand and asked to borrow her watering can.

Well, you couldn't wish for a higher compliment for fake flowers than that. For these plants, quite the most realistic fakes I have clapped eyes on, have their roots not in Mother Nature's soil but firmly embedded in a French factory.

If you are something of a purist, like me, with an illogical aversion to things repro, talk of artificial plants could stop you from reading on. But don't. After visiting Michelle Sigg's showplace, which was an intriguing profusion of the unreal and the real, I was very soon mistaking one for the other. Which must say something for her expertise.

It is no accident that Michelle Sigg is herself French (though strictly London based) for that nation has taken the art of artificial flora to an advanced level, after more than 30 years of practice in their theatres and fashion houses.

Following success in Europe and the Middle East, she has just launched her new company, Oasis, in Britain.

While the basic elements are made abroad, the Oasis range

which includes house plants, succulents and deciduous trees and some 300 flowers, is arranged and mounted, often filled with natural tree trunks, by Michelle in London.

Where the scores in making her plants so realistic, is with good colour (there are over 800 shades so far which allows considerable subtlety) and soft fluid fabrics (much of it is polyester which, unlike silk, is inexpensive, takes colour well, is washable and uncrushable). Fine plastic is also used.

I found the most appealing group, the large foliage shrubs, such as weeping willow (see illustration), yucca and bamboo which stand up to two metres high. If you care for spring all the year round, there's also the delicate cherry, peach or apple blossom ornamental trees to choose from.

As well as meeting a need in restaurants, hotels, hospitals, nightclubs and so on, the artificial flower market offers a certain answer to those with allergy problems (such as asthma sufferers), those who live in unfavourable conditions (dark basements) and those who neither want nor have, green fingers.

The converted will remind you of an end to greenify, elaborata holiday plans, and



How real can you get? This silver-leaved weeping willow keeps you guessing, about £63.

overwatering troubles. It might be £30 spent, but its £30 that won't die on you.

Michelle Sigg suggests for best results mixing, say, some fake rosea with a forest of natural foliage, a common interior design trick, and similarly arranging pot plants.

Another cunning idea for those who love jungle bathrooms, is to conceal ugly cisterns and exposed pipes with a verdant climbing ivy.

Prices of the Oasis collection, range from about £9 for a colous pot plant to about £110 for a cherry blossom tree, though foliage shrubs come at around £45.

If you are planning a visit to London or live nearby you can find Oasis plants at Pyramid, 78 New Kings Road, London SW6 or you can write to them for a leaflet of trees and shrubs enclosing 50p in stamps. Delivery is throughout the country.

LUCIA VAN DER POST IS ON HOLIDAY

Simpson  
PICCADILLY

## Sporting Life

For leisure hours and the sporting life, DAKS has always been the pre-eminent name. Here a DAKS jacket in polyester/linen complements DAKS trousers in polyester/wool. A cotton knit shirt completes the picture of casual ease. Jacket £79. Trousers £32. Shirt £9.95.

Simpson (Piccadilly) Ltd, London, W1A 2AS. 01-734 2002. Open until 7.00 p.m. Thursdays, 5.30 p.m. Saturdays.

THE  
Royal Bath

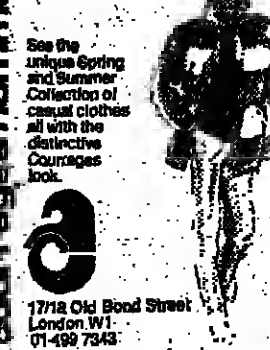
a five star hotel in a five star resort

The Royal Bath is one of Britain's exclusive five star hotels, and after recent renovations its merits are being even more as one of Europe's top resorts.

Situated on an elevated cliff overlooking the sea, it has a swimming pool, sauna, two restaurants with an international reputation for their cuisine, four bars, hairdressing salons and special facilities for children which include a resident nanny during the summer months.

To enjoy the best in cuisine, service and sophisticated five star relaxation contact the General Manager D. R. Lloyd Jones, Bournemouth 25353.

A DEVERE HOTEL



See the unique Spring Collection of casual clothes all with the distinctive Courages look.

177A Old Bond Street, 01-490 7543

GARDEN SEAT & TABLE  
Home Assembly  
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Matching tables 2ft. 6ft. 8ft. 10ft. 12ft. 14ft. 16ft. 18ft. 20ft. 22ft. 24ft. 26ft. 28ft. 30ft. 32ft. 34ft. 36ft. 38ft. 40ft. 42ft. 44ft. 46ft. 48ft. 50ft. 52ft. 54ft. 56ft. 58ft. 60ft. 62ft. 64ft. 66ft. 68ft. 70ft. 72ft. 74ft. 76ft. 78ft. 80ft. 82ft. 84ft. 86ft. 88ft. 90ft. 92ft. 94ft. 96ft. 98ft. 100ft. 102ft. 104ft. 106ft. 108ft. 110ft. 112ft. 114ft. 116ft. 118ft. 120ft. 122ft. 124ft. 126ft. 128ft. 130ft. 132ft. 134ft. 136ft. 138ft. 140ft. 142ft. 144ft. 146ft. 148ft. 150ft. 152ft. 154ft. 156ft. 158ft. 160ft. 162ft. 164ft. 166ft. 168ft. 170ft. 172ft. 174ft. 176ft. 178ft. 180ft. 182ft. 184ft. 186ft. 188ft. 190ft. 192ft. 194ft. 196ft. 198ft. 200ft. 202ft. 204ft. 206ft. 208ft. 210ft. 212ft. 214ft. 216ft. 218ft. 220ft. 222ft. 224ft. 226ft. 228ft. 230ft. 232ft. 234ft. 236ft. 238ft. 240ft. 242ft. 244ft. 246ft. 248ft. 250ft. 252ft. 254ft. 256ft. 258ft. 260ft. 262ft. 264ft. 266ft. 268ft. 270ft. 272ft. 274ft. 276ft. 278ft. 280ft. 282ft. 284ft. 286ft. 288ft. 290ft. 292ft. 294ft. 296ft. 298ft. 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# IN-CAR ENTERTAINMENT 1

The motor car has become virtually an extension of the home and with the rapid advances in electronics technology the family can nowadays take with it its domestic entertainment - radio, tape players, hi-fi, even TV. The market is reviewed on this and the following page.

## Profusion of products

BY ARTHUR SANDLES

THERE ARE a variety of fairly obvious reasons to the interest in in-car entertainment. Not least of these is that it is only in relatively recent years that the car, or at least the smaller less expensive European family car, has been a quiet enough machine for any sound source other than the engine to be heard with any pleasure. To this simple fact has been added micro-technology, a considerable expansion in the number of radio stations, the introduction of stereo and the development of simple transportable forms of sound storage—in simple terms the audio-cassette. Put that mixture together with increased consumer discretion, spending power, higher demands in terms of standards, and aggressive promotion by manufacturers and you have the recipe for market growth.

### Overcrowded

However, many a manufacturer will also point out that it is a recipe for an over-crowded business. There is little doubt at the moment that the consumer is enjoying the pleasures of a buyer's market. Manufacturers and retailers are having to fight hard to maintain their margins and their shares of the business. As far as the motorist is concerned the disadvantage of this is simply that there is a profusion of claim and counter claim, and a constant flow of new products. The problem of sorting ginkimery from usefulness, claim from reality, is a difficult one.

Only a few days ago I stepped into a Hertz rented car whose sound system controls marginally outnumbered those of the air conditioning system, which in turn vastly exceeded the devices needing attention (actually to move the vehicle). A station-seeking radio (you just turn the thing on and it wanders about the ether finding stations and letting you hear a few seconds before wandering off again—you stop it if you like the sound) told you where

it was roaming via a pale blue digital read-out. The quadraphonic tape deck produced surround-sound from who knows how many woofers and tweeters. Buttons and sliders enabled the driver to control every Db and Hz.

Perhaps it was this profusion which made me overlook the conventional analogue speedometer indicating a pace of some 32 mph in a 25 mph zone. The sheriff was at hand to ensure that this oversight was not long lasting. Thank heavens for an English accent and a British driving licence.

American-style gadgetry is not easy to install in a European car if only for the reason that the basic Euro-standard for the hole into which the unit must fit makes things difficult. The works are not the problem. The difficulty arises in the knobs and buttons which are required and the necessary visual displays. Aoy in-car radio that requires surgeon-like manual dexterity and the eyes of a near-sighted hawk is hardly likely to prove a best seller—although there are one or two such animals on the market.

If the in-car entertainment industry has anything like the good fortune for which it is basking some £50m worth of equipment will be sold this year. It will range from simple radios costing little more than £10 to elaborate hi-fi units setting back the motorist several hundreds of pounds. Increasingly cars are being fitted with radios as standard equipment, and more and more the manufacturers are looking to consumer up-grading as their real source of revenue.

When it comes to buying, the first priority for any consumer is to decide precisely what is required. This may seem simplistic, but in fact if the prime requirement is good reception to Radio Four each morning on the drive to work then there is little need for the sort of expenditure which is going to provide the perfect Bruckner in the early hours. For the moment, at least in car equipment value

is only in the eyes of the owner, the actual quality of the audio unit has but a marginal effect on a car's second hand value.

That having been said it is worth noting that in car audio has increased enormously in performance in recent years, and that anyone who has grown used to an ageing unit may be surprised at the quality which is currently available. The car can provide an environment superior to many domestic settings for good listening.

### Exclusively

This fact is one that has not escaped some of the software manufacturers. Quite apart from language courses and tourist guides the tape manufacturers no longer offer a wide range of product aimed exclusively at the motorist audiophile. EMI has a series of HMV Miles Of Music tapes, each with at least 80 minutes play on them, including such collections as Gilbert and Sullivan, from Mikado to Pinafore and orchestral showpieces from Brahms to Saint-Saens.

Clearly equipment manufacturers will continue to encourage a demand for high performance units. The day does not seem too far off when all cars will offer a radio as standard equipment and the absence of any consumer judgment would place the set-makers entirely in the hands of the car-makers. The electronics industry is therefore determined to maintain motorists brand awareness and keep them informed of new, and claimed superior, developments.

The real crock of gold as far as these developments are concerned on the UK market is, of course, Citizens Band. CB Radio has become something of a broadcasting cause celebre, linked to emotive calls for freedom. It is basically a system of distance communication which enables private individuals, normally motorists,

to talk with each other over broadcast frequencies.

The system is already in use in much of the Western world, notably, of course, the U.S. The frequencies used in America are already used in Britain by other services and, it is alleged, use of American-style equipment interferes with everything from paging devices and pace-makers to model aircraft controls and RAF defence systems. Pirate equipment is pouring into Britain but, as yet, the Government shows little sign of wanting to legalise CB.

CB protagonists argue that the system will come into use in Britain; willy-nilly, and there is a great deal of evidence to suggest that this is already happening. In the absence of Government allocation of frequencies, pirate sets on the American model are pouring into the market and presenting the Authorities with a fait accompli. This is not empty talk. Such a flooding has already taken place in Australia. Political concern about CB is centred on two areas, the allocation of suitable frequencies and the cost of policing the system. A less stated reason for political concern is that the Government, and its near-relation, the Post Office, is more than slightly concerned at the political application of a unmanageable communications system which allows free conversation over distances greater than normal audibility.

If CB is legalised in the UK—and time, oddly enough while increasing the physical pressure (in that there are more pirate sets) seems to be reducing the political pressure (in that a once hot issue has slightly gone off the boil)—then manufacturers face a production bonanza. Just which manufacturers would depend on the frequencies chosen.

Meanwhile, CB or not, the enthusiasm for in-car sound remains unabated. It is one audio star that video certainly did not kill.



The Pye 2410 combination unit—the radio has manual tuning and stereo beacon indicator and the cassette player has auto stop and an overriding manual eject control.

## Boom in tape players

BY LORNE BARLING

MANUFACTURERS AND suppliers of tape players and hi-fi units are now entering the season of high demand, which peaks in October when the year's new car registrations take place. Many are optimistic about the prospects, but demand last month was disappointing for some.

This sector of the in-car entertainment market, taking in radio-cassette combinations and cassette players, has experienced unprecedented growth in the past few years, particularly in the cheaper price range as electronic advances have greatly improved value for money.

The most significant change has been the retailing of these products, often in a package containing the radio-cassette, loudspeakers and the necessary parts for fitting through major stores and discount outlets.

Simplified electronics has allowed these products to be fitted without much difficulty by the average buyer, many of whom would not be willing in any case to pay the increasingly high cost of having it done professionally. It is here that the most rapid growth has occurred and is expected to continue.

Sales of radio-cassettes in the UK have risen from 276,000 units in 1978 to 418,000 in 1979, 588,000 in 1978 and perhaps as many as 1m last year, while the number of radio-only units has remained fairly steady, indicating that as real prices have fallen, buyers have increasingly opted for a two-in-one purchase.

This is understandable when making price comparisons. An average bottom of the range cassette player may now cost around £30, while a combination set plus two speakers can be bought for as little as £39.95. However, the market for cassette players has remained reasonably buoyant, and sales have recently been running at around 500,000 a year. However, this is expected to fall over the next two years by as much as a third. It will be sustained mainly for the reason that buyers of new cars are often hesitant to remove an existing car radio, at some trouble and expense, to replace it with a combination set.

### Remarkable

One of the most dynamic companies in this sector is Amstrad, which only started up in 1966 and, until fairly recently, concentrated on conventional hi-fi equipment. Following its remarkable success in the in-car entertainment market, it has now gone public.

The company foresaw the DIY boom, and by retailing inexpensive products—manufactured mainly under contract to its specifications in the Far East—managed to corner the fastest growing sector. As a result its profits rose rapidly from around £700,000 in 1976 to £1.4m the following year, and are expected to reach a figure comfortably above £2m this year.

The company believes that a decreasing number of buyers are prepared to hand their car

over to a garage or fitting specialist and be charged £150 or more to have instant sound in their cars. The mass-marketing approach has allowed prices to fall dramatically, while margins are maintained by high volume sales.

At the same time, chain stores and other outlets were happy to sell the sets off the shelf without the added problem of having to provide a fitting service, although Comet, one of Amstrad's outlets, is now setting up fitting branches at a limited number of points.

However, these will concentrate on low cost since many potential buyers have in the past been put off by the prospect of not having to pay perhaps £50 for the fitting of a £30 product.

Another aspect which has made life easier for the DIY enthusiast is the advanced circuitry in radio-cassettes, which means that engine interference is negligible (the standard suppression of engines on many cars also helps). In general, improvements in soundproofing of cars has led to a greater demand for good quality radios and cassette players.

Although Amstrad claims to hold around 30 per cent of the total UK market in volume terms, its strength is confined mainly to less expensive products, so its share in terms of value could be as low as 15 per cent.

Overall, the market remains highly polarised, with most companies remaining firmly in their own price brackets. At the lower end Amstrad is competing with Binatone and Sharp, while above the upper cut-off point of around £100 for a stereo FM 3-band cassette radio, a larger number of multinational companies are in the market.

These include Philips, Pioneer, Clarion, Panasonic, Hitachi, Radiomobiles, Motorola and Blaupunkt. In volume terms there is a split of about 60-50 between the cheaper and more expensive sectors, although on price the share of lower priced products is probably less than 30 per cent.

Philips believes that despite reasonably good sales so far this year a dip in March is a sign of falling demand. The company points out that top of the range products are very dependent upon the fortunes of the car industry.

About 25 per cent of Philips sales are as original equipment (OE) in cars such as those made by Vauxhall, Ford and Jaguar, while a further 25 per cent are sold through parts and accessories outlets, mostly for new cars. Its main competitors in the OE business are Radiomobile and Motorola, as the UK motor industry continues to resist the installation of Japanese radios in new cars.

### Withstand

Contrary to the view of Amstrad, Philips believes that the upper end of the market will be better able to withstand a fall or at least stagnant demand this year, due to their greater resources and international markets. In the past there has been remarkably little impact from recessions, except in the OE market.

In terms of new developments in existing products the cheaper end of the market has traditionally had to follow the top end as and when a combination of electronic advances and volume production enables them to bring down prices. This is happening with automatic tuning, while Philips is about to introduce what it calls MCC, or a micro-computer car radio-cassette, which will store information on radio programme frequencies.

To be introduced in August at a price of around £300, it is definitely for the perfectionist, although it also allows the motorist to avoid annoying loss of reception when moving from one area to another. The new set will automatically and continually select the strongest signal from a station, without any noticeable sound when changing over.

# YOU'VE TAKEN DELIVERY OF A NEW CAR AND THERE'S A RADIO FITTED, INSTEAD OF THE STEREO SYSTEM YOU'VE ALWAYS WANTED



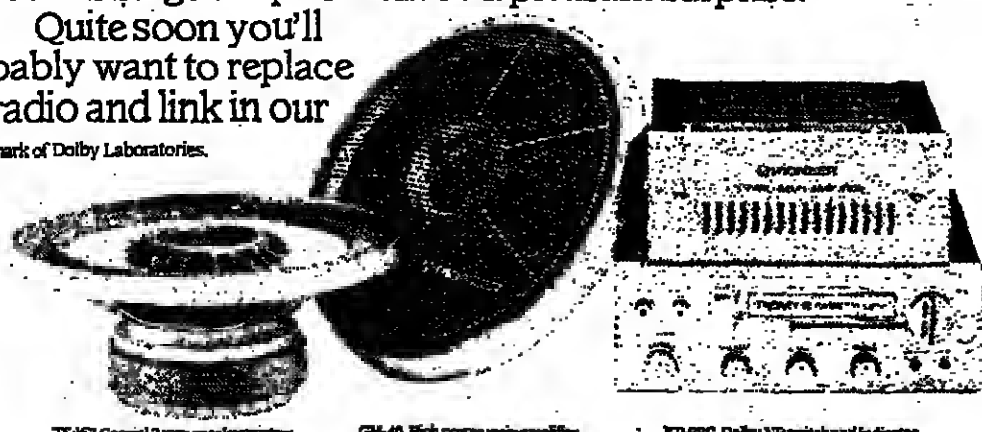
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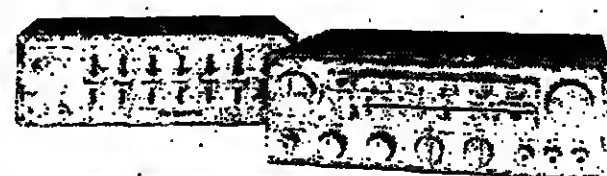
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TS-167, Control 2 way speaker system.

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GEX-8 MW/FM tuner. It will comfortably fit your dash. It's electronic, with 15 pre-set stations (10 for FM), ARC and an integrated FM noise suppressor.

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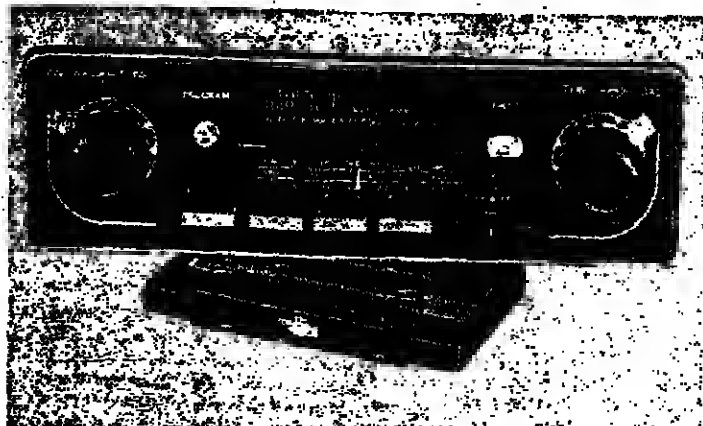
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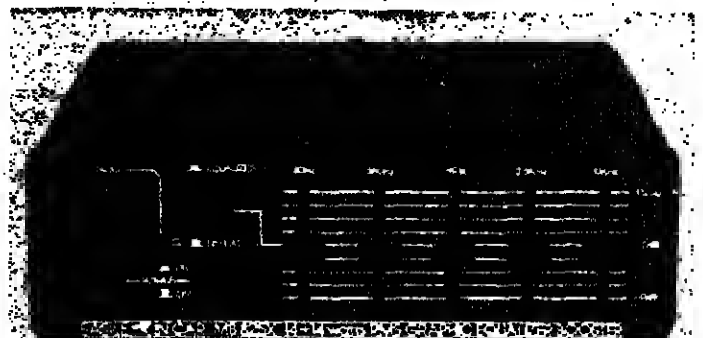
## IN-CAR ENTERTAINMENT 2

## The micro-chip opens up a wonderland

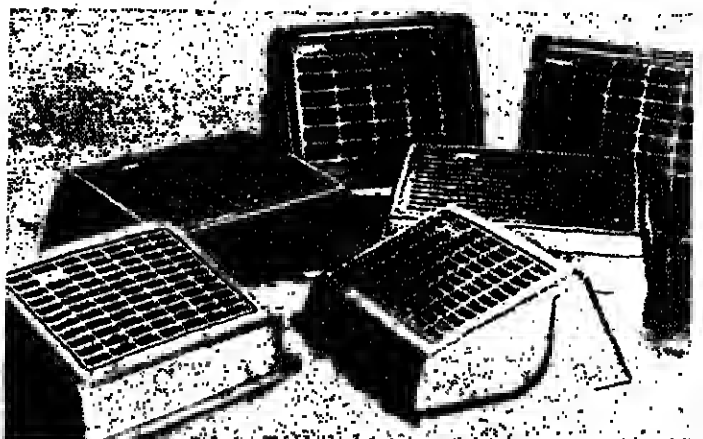
BY ARTHUR SANDLES



The Amstrad EK 990 3-waveband stereo radio cassette player with FM noise suppression circuitry and auto reverse.



The Eagle MB825X power booster with five-band graphic equaliser.



A selection of Philips pod speakers designed to be adaptable to a variety of car installations.

DRAWING THE line between frivolity and necessity in motor equipment is no easy matter these days. The radio has moved from being a luxury add-on to something which few long distance drivers would want to do without. Today, however, motorists can arm themselves with electronic wonders ranging from television sets and sophisticated interior lighting systems to computerised data providers and digital clocks. Customising vehicles, once a back-street sideline, is now a blossoming industry boasting its own somewhat macho-orientated range of magazines.

If you are really keen you can snuggle into your Huggy Bear seat covers, hiding behind you Sun-gard smoked window covering (£15.20 for 22 sq ft), listening to your Clarion 957 radio cassette unit (£318, plus speakers) while your passengers sit in the rear seat glued to the latest episode of Dallas on their JVC portable, an international tunable and amazingly tiny television set.

There was a time when radio reception was not the easiest of things in a car. Now, however, portable television is increasingly popular and there are several sets on the market, both colour and monochrome, which will run happily off car batteries—and often off their own built-in power supplies. By law, television watching is not for the driver, but it has some advantages as a movable form of peace-maker, particularly for children.

Such are the vagaries of television transmission that nothing is going to give you rock-steady pictures at all times. As best television on the move is going to be a poor imitation of home reception, but not if you stop and position the aerial properly. Potential buyers have to decide whether their market is monochrome (a reasonable quality 10-16 inch screen model should cost well under £100) or colour

(three times the price) or the tiny models pioneered by Sinclair but now sadly overtaken in the market place by such oriental rivals as Sanyo and JVC. These tiny sets, which are tunable to most international frequencies, but not usually the French, cost about twice as much as a smaller normal set. Their great advantage is size and flexibility. The disadvantage is the size of the picture. Spotting the ball at Wimbledon can be difficult.

The enormous strides made in micro technology have affected not only radios and television sets, however. The march of micro-chips and quartz has had a particular impact on clocks. My recollection of the early days of car clocks was that they always looked good—I have a lovingly nostalgic memory of a clock set in the walnut fascia of an even then ageing Wolseley—but rarely actually told the time. Today's quartz-based timepieces are alarmingly accurate. They also have the added advantage of consuming very little power indeed. Less than £25 will buy a good looking small clock with a digital read-out that adjusts itself in light intensity according to in-car conditions.

For those with a taste for glowing digital displays there is an increasingly supply of delights. There is, for example, a machine called a Fuel Stretcher from a manufacturer with a trendy eighth name EnviroSystems which will tell you at any time exactly how many miles to the gallon you are achieving. The thought of sitting in a London traffic jam actually watching the gallon slurp away is not everyone's idea of fun, but if it is yours then £58.50 should get you one when, as promised, they start arriving in the shops.

Not quite entertainment? Well, what about a set of musical horns that play "Sous les Ponts" or "Colonel Bogey", only £29.95 plus a little talent

with a tool kit. If you really want to amuse the neighbours in the early hours the same price will buy you a set of horns that plays "Strangers in the Night". If you have less musical tastes you can buy a kit (the use of which I have a nasty feeling is illegal) which "offers a complete range of 81 of the sounds of the world's police and emergency sirens" and costs £26.95. A mere wolf whistle, which does however have the added facility for making "yelping dog noises," costs only £5.95.

Some in-car products take the idea of motorised fun a little too far perhaps. There is a gear knob of such alarming appearance, for example, that it comes complete with a "cloth cover to put on when necessary," a jolly joke that only costs £4.10 complete with matching key ring.

Clearly more serious is the theft-warning device that does nothing so old-hat as to make loud noises should anyone tamper with your vehicle. This one, "complete with piezo-electric micro-door sensors" sends out a coded message to a bleeper which you carry with you in your pocket. It has a range of up to a mile and costs £85.

On the more practical side it is worth remembering that any radio or cassette player in a car will sound a great deal better if there is less noise coming into the vehicle from outside. Cars today are generally much quieter beasts than in the past but it is still possible to make them substantially less noisy. Given that you are prepared to provide the time and a little practicality you can significantly reduce the internal noise of a Capri for less than £40 and a Mini for less than £25.

Quiet is a surprisingly pleasant asset in a car, even when the electronic wizardry is not providing musical entertainment, and can deduct consider-



Mr. Alan Sugar, chairman of Amstrad, surrounded by a selection of the products which have taken his company rapidly up the ladder of success.

ably from the strain of a long drive. If you are interested in the full-scale customising of a vehicle, a rapidly growing leisure business, then a fascinating world of competitive car decorating starts to open up. If you have an artistic bent and can learn to handle painting by air-brush then you can turn your car into a work of art in its own right. It is a busi-

ness heavily influenced by the American market and most retailers in Britain see into stay in business thanks to a British thirst for U.S. custom car products. The trade publications are full of such offerings, and indeed make a fascinating social study in their own right. There seems an increasing trend in Europe to follow the American pattern of turning vans as a realistic alternative to the normal motor car, and it is in this field that customising is seen at its most ambitious, or most offensive, according to your point of view. If you want to see custom cars on display one of the liveliest places is Battersea Park on the last Saturday of every month—given a sunny evening the cars usually spill into the Kings Road, Chelsea.

## New worlds in radio

BY JOHN GRIFFITHS

WHETHER IT was picking up on some exotic frequency—transmissions of disapproval from that august emporium, I shall never know, but on my daily journey to the centre of London the cheap, chain store-purchased radio in my car invariably lapsed into discomfited silence outside Harrods.

That radio, a half-hearted concession to the fact that on increasingly crowded roads driving itself just was not run any more, was a strange-looking, indecent/range wave receiver. Quite apart from its faded problems, numerous for stations or trying to watch a small pointer moving among a jumble of crowded and over-large numbers was both exasperating and, in heavy traffic, a definite hazard to the welfare of bodywork. That radio had about as much in common with today's products as the horse and cart has with the car.

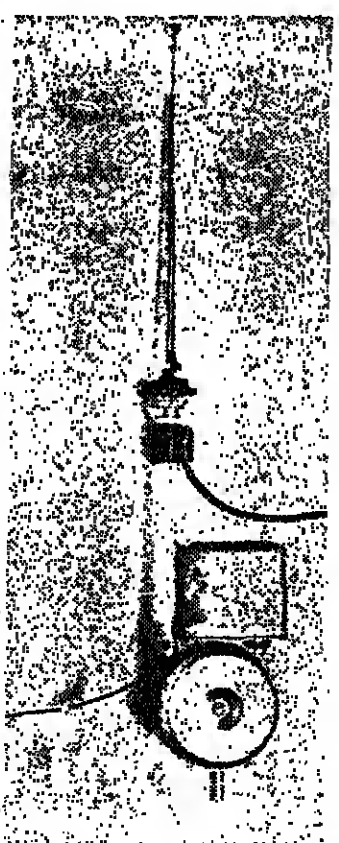
Take, for example, one of the newest sets on the market, the voxson-produced "Mistro" unit. A radio-cassette radio has now been around for well over a decade, and have allowed up to half-a-dozen stations to be pre-set mechanically (when the button for a new station is pressed, the frequency indicator jumps back and forth across the horizontal scale). With the Mistro, however, 16 stations, on MW/LW and FM stereo frequencies, are stored in a microchip-controlled memory.

There is no longer even a tuning scale in the conventional sense. Although a standard rotating tuning knob is used to programme the 10 push buttons, the tuning frequency is indicated by light-emitting diodes, the station selected being memorised by also pressing a button. The radio stores four MW, four LW and eight FM stations. It also incorporates an automatic aerial trimmer (an often overlooked area when reception is unsatisfactory, for a radio can require to be tuned differently to different types of aerial); a noise suppression circuit on the FM bands; and a socket for an automatic traffic information decoder, for use if and when such a system does finally emerge in the UK.

With thefts of such equipment soaring, in common with other more highly priced units—the Mistro sells at about £240—it can be removed from its mounting instantly without losing its memory, although the same does not apply if the battery is disconnected while the unit is still in situ.

Just coming on to the market are units from Philips—the AC994/AS 990 models—which take such concepts further.

Ten FM frequencies can be stored on each of six channels, and the radio is programmable to search for the strongest signal for any selected programme. For example, the transmission frequencies for Radio 3 are first displayed on an LED terminal then entered in the radio's memory. During the course of a long journey it will automatically scan the ether for the strongest signal and intelligibly switch to it. Ten



Eagle retractable aerial which extends and retracts automatically as the radio switch is turned on or off.

further stations can also be kept in the memory bank for press button selection. It is priced at about £300, including a cassette tape deck.

The microchip, in short, is bringing widespread change, and not just to the top end of the market, where "search and enjoy" sets—in which the radio seeks out all stations within range and air the programme for a few seconds before moving on unless the driver decides to retain it—increasingly will become commonplace—the digital display unit is already moving down the market.

## Apparent

Sound reproduction quality has improved to the point where the shortcomings of the actual FM transmission system are now becoming irritatingly more apparent. FM reception in the home, where a powerful, fixed aerial can be used, is not much of a problem; but there is a two-fold one with a car on the move. First, there are, geographically, still gaps in the network of transmitters, which have a range of about 50 miles; secondly FM signals have a tendency to bounce off major items of man-made scenery, producing short-lived bursts of interference. Despite manufacturers' best efforts at reducing the problems, both through the self-seeking device mentioned earlier and circuitry to filter out such interference, they still have not been fully overcome; nor are they likely to be until the transmission network itself is strengthened, with regard to which there currently are few grounds for optimism.

With relatively few exceptions, the car radio as a unit in itself is, however, being replaced in all but the very

cheapest sector of the market by combined radio/cassette units, dealt with at length elsewhere in this survey. And units such as these are now available on the market at under £50, leaving the "bargain basement" car radio war to be fought out, at prices down to little more than £20, among a host of often obscure, mainly imported brand names; where prospects for adequate service and parts replacement are often poor.

One notable exception in this area is Amstrad, a 12-year-old British company which began life with its chairman, Alan Sugar, selling parts from a Mini van and which has since built up to a concern valued at £7m and which now supplies major retailing chains such as Comet, Trident, Rediffusion, and Woolworth. While Amstrad does compete in the lower priced segment of the IGE market, with a basic LW/MW selling at £25 or so up to radio/cassette units priced at about £125, its product range now extends well into the domestic hi-fi market and other electronic products such as radio alarms.

In the future, however, the car radio can be expected to play a considerably greater role in motorist's life than in the past, notably in providing journey information such as traffic conditions, and even individual route information.

Automatic Road Information (ARI) is already in use on the Continent, by which drivers automatically receive traffic messages on selected medium, long wave and FM frequencies.

The system has been operating in West Germany and Austria since the mid-70s. Car radios fitted with the decoder, which costs between £5 and £10, can tune to a station broadcasting traffic information. The radio can then be turned off, but will come to life again to deliver a traffic message, or if a radio/cassette unit, will cut into the playing of a tape to deliver the message.

But the UK is also considering a rival system, Carfax. And while an EEC subcommittee to discuss an intra-EEC system in December recommended the ARI system, there is still no firm decision on which direction the UK will take.

Of even greater significance—and making the radio an indispensable part of the car of the future—is ARI, the next stage of which began on 180 kilometres of roads in the Ruhr at the start of this year. This is a full driver guidance system. The driver taps in his destination on a dashboard display; and induction loops built into the road surface tell him exactly where to turn, change roads, etc., and will, so to speak, deliver him door to door.

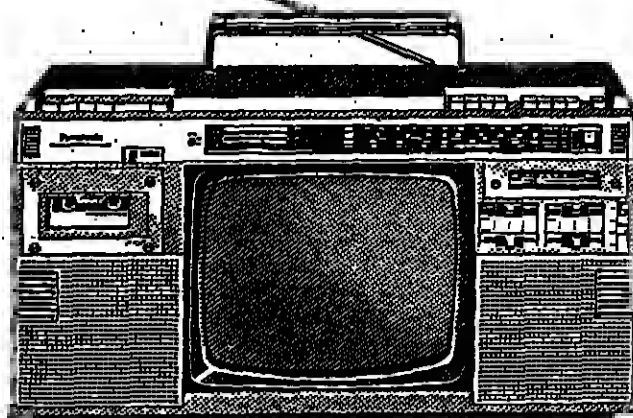
West Germany is to decide at the end of 1981 whether to introduce the system nation-wide, expected to take about five years. At an estimated cost of £45,000 per mile of A road or motorway, its introduction in the UK is at best likely to be a long-term prospect.

But the cost of the motorist would not be so formidable. The necessary transmitter/receiver would add about £120 to the cost of today's radio at current prices.

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## PANASONIC TR1200

This versatile system is ideal for caravan or boat and works from mains or battery. Includes 12" Mono TV, L, M, S and stereo VHF radio and stereo cassette recorder which records directly from TV (sound only) or radio. Features 2 way 4 speaker system, and powerful 5 watt per channel output. Plus LED VU meters and separate bass and treble controls.

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£89.95

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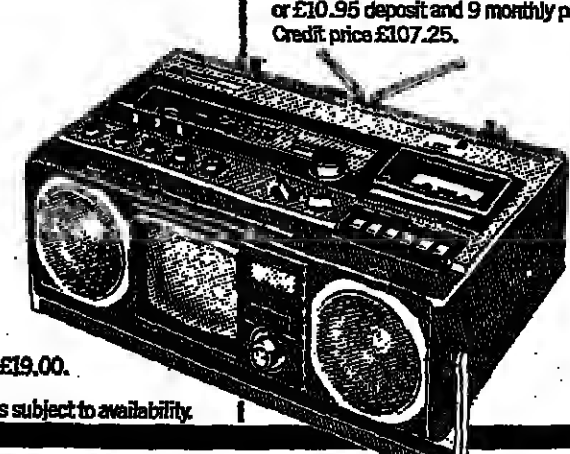


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## ARTS

## The Heiress

BY MICHAEL COVENEY

The Heiress, a melodrama dating from the late 1940s by Ruth and Augustus Goetz, opened at the Nottingham Playhouse on Thursday night. It marked the return to the British stage of Juliet Mills and the departure from the Playhouse of its artistic director, Geoffrey Reeves, after two extremely disappointing years. It seems to me reprehensible of Mr. Reeves to have bowed out with such a piece of dated, melodramatic trash. Even in 1949—when the play was seen in London with Peggy Ashcroft and Ralph Richardson, a critic as reliable and moderate as T. C. Worsley praised the exercise with faint damns. With genuine stars in the cast, I might have been persuaded, for the material is not wholly intractable, as Olivia de Havilland proved with her Oscar-winning film performance in 1949.

Adapted from Henry James's short novel *Washington Square*, the story introduces us to a stern doctor whose plain and socially clumsy daughter becomes prey to a worthless fortune-hunter. The suitors' worthlessness is not established beyond doubt until right at the end and even then the matter could be open to interpretation. But what is certain is that Doctor Sloper first humiliates his daughter then drives her capacity for love out of her. At the end, she gets down to a lifetime's sewing, admitting that if indeed she is cruel to ignore the renewed attentions of Morris Townsend after a two-year gap, she has been taught

to hurt by masters. The loveless father both wins and loses his daughter before succumbing to a heart attack on the sofa.

Splendidly set in Dr. Sloper's parlour in Washington Square (designed by Eldon Elder), the effect of the piece, nonetheless, is to age its audience by about fifty years. Miss Mills trots up and down the huge staircase with nifty aplomb and is particularly good at frowning sadly as her father warns her of turning her sampler into a life's work. Similarly, Nigel Hawthorne adopts a reserved approach even to such chilling lines (to Eleanor Summerfield's chattering Aunt Lavinia) as "She killed her mother in getting born." This Sloper is a cold fish all right, but verging dangerously on the frozen. I do not think Mr. Hawthorne conveys the physical phenomenon of a heart attack too well by flapping his arms in the air but, on the whole, he avoids excess. In fact, I think I would have preferred a lot more flapping of arms. Mr. Reeves's production trundles rapidly along with terrible, apologetic piano music between the scenes and the occasional invasion of small part characters who look as if they have just stepped off a Mackintosh's toffee tin.

Charles Dance as Morris speaks with an awful nasal whine, which is, I suppose, his version of a New York accent. Irene Sutcliffe is sprightly as one of the Aunts, but that is about as enthusiastic as I can wax. I do not consider it the business of a major regional, fully subsidised theatre to produce such outdated rubbish. I know the Arts Council wants these theatres full at almost any cost nowadays. But there are more adventurous ways of going about it, and Nottingham should be severely chided for so



Juliet Mills and Eleanor Summerfield

objectively throwing in the towel. Those who can risk ageing by fifty years may see *The Heiress* at Nottingham until May 3, and thereafter at Richmond for a week (May 5-10) and Brighton (May 12-17).

abjectly throwing in the towel. Those who can risk ageing by fifty years may see *The Heiress* at Nottingham until May 3, and thereafter at Richmond for a week (May 5-10) and Brighton (May 12-17).

## ENO funds its future

BY ANTONY THORNCROFT

YESTERDAY THE English National Opera posted off 36,000 letters. They were sent to those opera lovers who are on the joint ENO-Covent Garden mailing list and they offer them discounts on seats at the Coliseum—if they subscribe for a certain number of productions. If you buy tickets for ten operas you qualify for around a 30 per cent price cut; for five the saving is nearer 20 per cent. There are 16 different series to choose from and the whole plan has been masterminded by Mr. Harold Lichnerman who as just joined the ENO to build up subscription revenue after a successful similar assignment at the Welsh National Opera.

recipients replied with a request for two seats the ENO would be completely sold out for the season. This will not happen, and Mr. Lichnerman hopes for subscriptions supplying 40 per cent of ENO's revenue through this first shot. When the list is improved, and at the moment no attempt at sophistication has gone into sorting out the best targeted names and addresses—the percentage should rise.

The importance of a successful subscription scheme is obvious. It enables an opera (or a theatrical) company to plan a future programme with the confidence that a high percentage of the need income is guaranteed. It also enables com-

panies to experiment with new works, or lesser known classics, rather than rely on established favourites. It should also take up the slack. Last season the ENO managed 77 per cent capacity in audiences and 70 per cent in terms of potential revenue. At the Welsh National Opera 86 per cent of theatre capacity was exploited.

The ENO is obviously trying harder in this its Jubilee Year. For long over-shadowed by Covent Garden in terms of international prestige, it is not in artistic achievement, it is making strenuous efforts to improve its financial base. The subscription scheme should help. It is also working hard at increasing corporate sponsorship.

At Covent Garden virtually every new production is supported by a hefty cheque from a business source. In the past the Coliseum has failed to develop this developing stream of income.

But on May 10 its new Fidelio opens, thanks largely to the National Westminster Bank which has paid for the production. Although the Nat-West has been hitting the sponsorship headlines this week mainly because it is to pump £1.5m into cricket by taking on the Gillette Cup its assistance to the social welfare of the country is much more diverse and widespread. All told the company invests around £3m into the community.

## Student Drama Festival

BY B. A. YOUNG

I spent a day at Southampton this week to sample the National Student Drama Festival that ends today, and came back exhausted. Between 11.00 am and midnight I attended a discussion group and five theatrical productions of various kinds. Seeking tea and relaxation in the afternoon (when the students were at another lecture) I and a fellow-critic hoarded a ferry which we imagined would take us to the Isle of Wight, but which only took us across Southampton Water to Hythe, where no tea was available; but that, as Rippling so seldom remarked, is another story.

The Festival, tirelessly directed by Clive Wolfe, is like a potted version of the Edinburgh Fringe (where indeed many of its products are later to be seen). It is necessarily a selective affair—necessarily because of the limitations of staff and of venue. At the University of Southampton, this year's bazaar, there are three good auditoriums, the Nuffield Theatre with its associated studio, and the Union Debating Chamber, though other rooms are used as well. Of the 50 productions that applied for representation, 17 were selected, ranging from a three-hour adaptation of *Great Expectations* for eight characters, somewhat in the manner of Shared Experience, to an hour-long cabaret act for two young men, one of whom allows his dialogue through an alto saxophone.

Considering the extent to

which official selection was involved, I was surprised by the different standards to be seen. There was a performance by two young ladies of David Edgar's one-act piece *Two Kinds of Angel* which had the astounding effect of making that paralytically dull play seem even duller. At the other end of the scale, there was a play, written, acted and directed by students, that seemed to me to come within an ace of professional excellence.

This was *Potter's Wheel*, by Sham Pradham, who is in his early twenties and has written three more plays before this one. I am not going to say that *Potter's Wheel* is a masterpiece, except in the narrowly correct sense that it is a piece of work by which an apprentice shows himself worthy to be considered a master. But it shows a highly-developed sense of theatrical effect, and this is emphasised by the imaginative direction of Paul Cowen, on a fascinating set designed by John Maine, a sculptor resident at Bretton Hall College, the institution responsible for this production. If I have interested anyone enough, they can see the play at the Old Vic on April 28 or 29, the first two days of the Festival's London visit to that house.

That other thing I saw were decent routine student work—two one-act pieces attributed to Michael Waller, though it can't be the Michael Waller who wrote *Fishing and Cancer*, unless he has relaxed his creative grip a good deal

since he returned to the U.S., and two cabaret pieces. One I have already described. The comic and the saxophonist, they were an immense success with the student audiences, and I would never be surprised to see part of their act suddenly turn up on my telly. The other cabaret show consisted of a boy and girl from Bristol singing a 'bunch of rather old-fashioned numbers' that distressed me by the constant



A scene from Potter's Wheel

use of false rhymes in the lyrics, which, like the music, come from Graham Parnham, who is a hairdresser by profession.

What concerns me about this Festival of *hor-gens-ome* is the prospect of luring people into the theatrical profession who might be better employed elsewhere. This Festival, says the editor of the sponsoring *Sunday Times*, "draws to the theatre, large numbers of intelligent young people who have no intention of going into the profession." The National Youth Theatre is liable to say the same kind of thing.

Yet both of them trumpet to the skies the names and records of the theatrical stars who began their careers in these organisations. The National Student Drama Festival programme claims 38 such alumni, and they are truly a notable list. But they are not 'simply interested in the theatre as a living art form'; they are interested in the theatre as a thing. Now the theatre is a very much overcrowded profession, and whether it is a good idea to encourage enlistment in it is at any rate dubious.

On the other hand, we very badly need some good new writers, good new directors, even good new critics. I am very pleased to see that of the many awards that are given at this festival, there is only one for acting (and that will not be awarded this year). The rest are for production, stage management and writing. This is just how it should be.

## Fortune's Fire

BY FRANK DOBBINS

The quartet of two voices, lute and viol began their Wigmore Hall concert entitled 'Aspects of Love' with their familiar fare of Jacobean lute songs and duets. After a rather unbalanced start with John Bartlett's *Fortune, Love and Time* the voices blended frequently to express the poignant strains of Poes to love and the delicate interplay of *Whither runneth my sweet heart*. After these introductory duos each voice alternated with solos posing and answering the question 'What is love?' with a melody of lyrics set by Rosseter, Bartlett and Jones. The soprano, Rosemary Hardy, dis-

played a bright timbre in *John's Love* is a pretty frenzy Evans, expressively portrayed the bitter-sweet sadness of Bartlett's *What time is love*, but mourning. The lutenist, Carl Shavitz, responded sensitively to the singers' rhythmic flexibility but the violist, Peter Vel, encountered some problems of timing and intonation, tending occasionally to overshadow the more delicate vocal lines with an over-reasoned bass line.

The second half of the concert on Thursday was devoted to *Il Giardini*, a new work by Stephen Oliver, commissioned

by Fortune's Fire but first performed in a version for string quartet and harpsichord by Musica nel Chostro at the Battagione Festival in 1977. If the little melodrama was not originally intended for the Italian Festival it seems curious that Mr. Oliver should seek to have his words translated before setting them to music, particularly since the curious little sketch includes a considerable amount of spoken dialogue, blossoming into declamatory and more lyrical effusions only at certain points. However, the vowel-rich language probably enhances a score that is easy on the ear

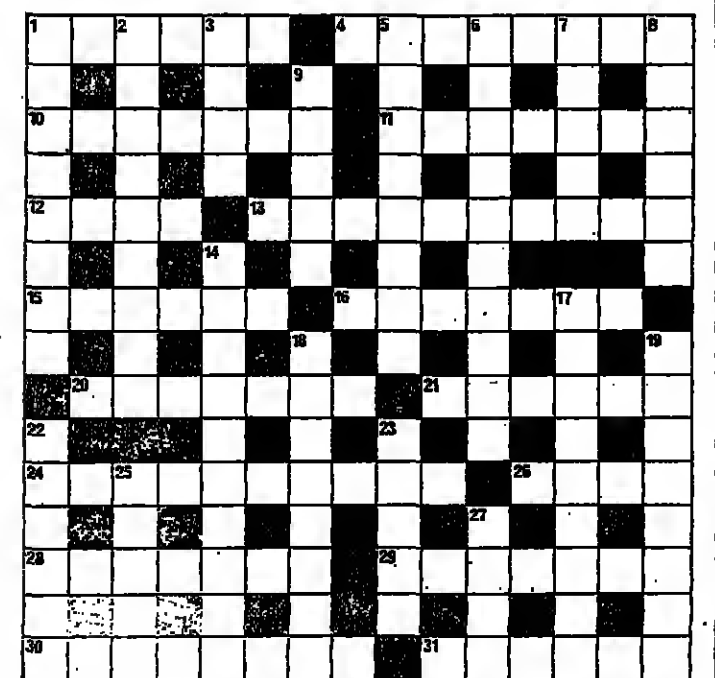
and distinguished by a good sense of timing.

Despite the alien atmosphere of the Wigmore Hall stage with its omnipresent 'grand piano' and 'only the wings' floral bouquets to conjure up the garden setting, the singers entered completely into the spirit of the piece, capturing the fluctuations of emotion as their curious encounter develops. The instrumental support did not sound particularly idiomatic with the viol often used much as a cello and the lute as a guitar. The small audience justly acclaimed the spirited and committed performance of all four musicians.

## F.T. CROSSWORD PUZZLE No. 4254

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Connon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name .....  
Address .....



- 1 Ecclesiastic on board sticks to his own colour (6)  
2 Turkish power is on the increase (8)  
3 One against following Roman law with a dictionary (7)  
4 The first course for a runner (7)  
5 See the Prince in his joint (4)  
6 Poetic form without rhyme but out without reason (5,5)  
7 Embarked with an animal within this period (6)  
8 Lean, but not on the level (7)  
9 Bonybody sounds fruity (7)  
10 Dark-sounding stand-by of a across (8)  
11 'The world is a — of it self' (Santayana) (10)  
12 Half despotic relative to sound receiver (4)  
13 Oriental article in China is significant (7)  
14 Pantomime character has a party with a bachelor (3,4)  
15 I'm not heartless about explosive threatening (8)  
16 Dance jacket (8)  
17 Invoice from one beak to his chief (8)  
18 Six from Scotland introduce this instrument (9)  
19 First out of touch and in pain? (4)  
20 Noisy sappers get on to a worker (8)

1 Gnat's liver builds up the hungry person (10)  
2 Register chips without fish (5)  
3 Objective for a sailor to reach (6)  
4 Keeps the home-fire burning (5)  
5 Cider in pot might be forecast (10)  
6 An incubus sounds a dark horse (9)  
7 W.D. in D.C. (8)  
8 Strange acts find the censor abruptly (8)  
9 One is after the rascal with a fish dish (6)  
10 The river is round about the best part (5)  
11 To a thousand money means dominion (8)  
12 There's nothing to cover in an open-air pool (4)

Solution to Puzzle No. 4253

## TV Radio

BBC 1

Indicates programme in black and white

- 9.05 am The Banana Splits.  
9.35 Champion. The Wonder Horse.  
10.00 Feeling Great.  
10.10 Zorro.  
10.35 Mickey Mouse Club.  
10.55 Sign of the Pagan, starring Jeff Chandler and Jack Palance.  
12.27 pm Weather.  
12.30 Grandstand: Football Focus (12.35); Motor Racing (1.05); International Race of Champions; Weightlifting (1.35); Great Britain v Israel; Racing from Newbury (1.50, 2.50, 3.20); Badminton Horse Trials (2.05, 2.25, 3.50); Swimming (3.05, 4.25); Mazda Cars International; Great Britain v Sweden; 4.45 Half-time Football Scores; 4.40 Final Score.  
5.05 The Pink Panther Show.  
5.25 News.  
5.35 Sport/Regional News.  
5.40 Rolf on Saturday OK.  
6.10 Saturday Night at the Movies: 'Butch Cassidy and the Sundance Kid', starring Paul Newman and Robert Redford.  
8.00 Eurovision Song Contest.  
10.20 News.  
10.30 Match of the Day.  
11.30 Saturday Night at the Mill.  
All Regions as BBC 1 except as follows:  
Cymru/Wales—5.35-5.40 pm Sports News Wales, 12.20 am News and Weather for Wales.  
Scotland—4.55-5.05 pm Scoreboard, 5.35-5.40 Scoreboard, 10.30-11.30 Sportsweek, 12.20 am News and Weather for Scotland.  
Northern Ireland—4.05-4.10 pm (Grandstand) Rugby Union: AIB Challenge Cup Final, 4.00 Rejoin BBC 1, 4.55-5.05 Scoreboard, 5.35-5.40 Northern Ireland News, 12.20 am News and Weather for Northern Ireland.  
England—5.35-5.40 pm (South West only) Spotlight Sport.

BBC 2

- 7.40 am-1.55 pm Open University.  
2.05 Saturday Cinema: 'Best Foot Forward', starring Lucille Ball.  
3.35 Horizon.  
4.35 A Day on the Hastings.  
5.15 Badminton Horse Trials.  
5.55 Grapevine.  
6.25 Armchair Critics.  
6.55 News and Sport.  
7.10 Discoveries.  
8.08 'Manon Lescaut' (simultaneous with Radio 3 stereo) opera by Puccini.  
Solution and winners of Puzzle No. 4248  
Ms. Ruth Flanders, 277 Beverley Road, Kirkella, Hull HU10 7AQ.  
Mrs. J. Gower, 39 Farrer Lane, Oulton, Leeds, W. Yorkshire.  
Mr. K. Maxton, 8 Glenesk Road, Eltham, London SE9 1AG.

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## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

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Saturday April 19 1980

## Papering over the cracks

A SIMPLE-MINDED statistician might have concluded by the end of this week that the UK economy is beginning to negotiate a fierce deflation with some aplomb. The money supply figures confirm that the intended measure of restraint has been achieved. Consumer borrowing and consumer imports are relatively subdued, and the trade figures may possibly be on a slowly convalescent trend, partly because the volume of manufactured exports seems to be defying cost pressures and the dire forecasts issuing from Cambridge. It is true that wage and price increases are still accelerating to a nasty peak; but they are roughly in line and are, he might reflect, lagging indicators.

Unfortunately a closer examination of the figures reveals some disturbing cracks and gaps below the surface. Monetary growth, it is true, is now restrained; but domestic credit expansion remains excessive—a reflection of the deficit on the current account. There is clearly no long-term future in restraining inflation by draining money out of the economy through a trade deficit. The UK economy is still living above its means.

## Deceptive

The apparent parallel between wage and price movements is equally deceptive. Some 34 per cent of the total price rise of about 20 per cent reflects the shift to indirect taxes in the first Conservative Budget; the underlying rate of inflation is now about 164 per cent, well short of the rise in industry's costs.

The wage and price figures equally conceal gaps and contrasts. The squeeze on margins implied by the gap between wages and output prices has restrained wages in manufacturing. The acceptance by Mr. Moss Evans of the transport workers' Leyland could afford no more than 5 per cent on basic pay is perhaps an extreme example, but the CBI data banks show that half of all manufacturing settlements are below 15 per cent. At the other extreme, central government employees are now earning 25 per cent more and bank employees are claiming the same. This differential is passed back to industry in a multitude of non-wage costs—transport, energy, interest charges and local rates. Meanwhile, important industrial groups are short of skilled engineers and research workers. This is a thoroughly unhealthy pattern.

There are still some genuine sources of reassurance. The export performance is a reminder of the immense contrasts within British industry which are normally concealed behind the gloomy averages. The total costs of employment

in the UK are still not out of line internationally, despite wage inflation and the strength of sterling; employers who can also achieve international standards of efficiency still flourish and the environment will encourage their growth, as less effective employers are forced to release men and resources. That is the uncomfortable process through which competitive pressure can in the long run transform an economy. The atmosphere of wage negotiations also seems to be improving. Perhaps because the Government's determination not to halt out the inefficient is outweighed by a greater willingness to seek ways of earning rather than simply claiming higher wages, though the cost remains grossly excessive.

These small symptoms, however, hardly alter the general picture, which in terms of industrial sluggishness and excessive credit is remarkably like that of 1976. The great contrast is the behaviour of sterling. Four years ago the currency came near to collapse until credit expansion was checked sharply. Now, in spite of everything, sterling looks like a hard currency. The secret, of course, is wider understanding of the future potential of North Sea oil, together with strong sympathy in the international community for the policies of the present Government. By contrast, confidence is the U.S., both external and internal, has slumped.

## Uneasy stability

The result of this contrast between present weakness and longer-term hope is a somewhat uneasy stability, which poses some problems of its own. One is in the management of monetary policy. Inflationary pressures and excessive borrowing at home argue for sustained high interest rates; but to foreign investors, high-yielding UK bonds look strongly attractive, especially since U.S. assets may now have passed their peak. The balance of market response to this contrasted picture seems entirely reasonable. The gilt market jolled the international bond celebrations for a few days, but without any solid conviction. One reason is that with foreign buyers reportedly active, it becomes a problem to estimate the Government's funding requirement. Equities have barely moved. Real conviction about our future will only be secure when the figures start to tell a far more consistent and convincing story, showing that the Government is really controlling its costs and reducing its claims on resources, and that wage bargainers on both sides are really waging a tight money and a strong pound imply.

"IF YOU need a toothpick we count it a total success," said Dr. Jack Edelman, offering "poultry bites" straight from the cooker in his experimental kitchen at High Wycombe. The hors d'œuvre tasted and chewed like breast of chicken fried in butter and breadcrumbed. Pulled apart with the fingers, the scampy "bites" had the appearance and fibrous texture of poultry.

Yet the protein from those "poultry bites" was fresh from a fermenter. It is pure mycoprotein, a fungus harvested from a seething broth in a stainless steel vessel closely watched by a computer. The bio-technologists at the Rank Research Centre of Ranks Hovis McDougall are confident that their mycoprotein is the world's first entirely new kind of human food to seek government blessing.

Very soon—within weeks, even days—they hope to hear from the Ministry of Agriculture, Food and Fisheries whether the Government is willing to let RHM sell their mycoprotein. For nearly two years MAFF, the Department of Health and numerous outside consultants have been cogitating over a 2m-word dossier submitted by RHM scientists. If the answer is "yes," RHM can proceed confidently to the next big problem: what to do with its new source of protein.

A few miles across country, at a research centre near Reading, another team of bio-technologists are waiting to hear from MAFF whether another novel protein is "fit for human consumption." It was cleared last year by the Japanese Government, which is pretty fastidious about foods, and the Tate and Lyle scientists are already selling the Japanese protein from their pilot plant. This is an incredibly sweet substance called thaumatin, which they extract from the fruit of a plant which grows wild in West Africa. The nutritional value of these white crystals of protein is of no consequence, however, because so little is needed. Tain, the commercial product, is 3,000 times as sweet as sugar, and has even more intriguing tricks to play in modifying the flavour of foods. For example, it can make vinegar taste like port.

RHM's mycoprotein has come a long way since it first tasted it in 1970. Then the succulent chunks of "beef" in a curry collapsed disconcertingly into a mass in the mouth. The scientists played safe when the Queen Mother called they offered her pâté. The material is a microscopically small fungus—a "micro-mushroom"—which thrives and multiplies rapidly in the right conditions. It comes from the same family of organisms that include not only mushrooms but truffles and the source of the flavour in some kinds of blue cheese.

They grow mycoprotein on a syrup made from food-grade starch or sugar—carbohydrate. They add ammonia salts to supply nitrogen for conversion to protein, plus the trace elements found in a nutritious food. They run it through a



Mr. Bob Marsh, head of food technology, and Miss Kate Simmons, in charge of the experimental kitchen, sample foods made from a new source of protein at RHM's research centre. In the foreground is some of the raw protein, fresh from the fermenter.

fermenter under the watchful eye of a computer controlling, above all else, the acidity. Out pours mycoprotein—as much as a tonne a week from their pilot plant at High Wycombe.

Three important things have happened to mycoprotein in the past decade. First, in spite of

... it has intriguing tricks ... it can make vinegar taste like port.

the forebodings of some of their advisers, the bio-technologists have learned how to make it continuously in the fermenter, for as long as six weeks at a stretch. This means that they can guarantee a very consistent product compared with batch

making methods, says Dr. Edelman, who took over as RHM's director of research from the project's founding father, Professor Arnold Spicer, in 1973.

Second, they have learned how to turn the porridge of mycoprotein filaments that pours from their fermenter into very convincing replicas of meat, poultry and fish. These are physical, not chemical, tricks which take a "weft" of mycoprotein and align the filaments to make facsimiles of the fibrous texture of meat or poultry or the flakey texture of fish. Additives to impart colour and flavour do the rest (although they admitted that the "fish finger" I tried contained some real cod because they find it hard to simulate fish flavours).

The third important thing they have learned is how safe and nutritious their mycoprotein is. This is the substance of the 2m-word dossier submitted to MAFF, based on research for which the

scientists first took advice both from MAFF and from UN food experts. Over 400 people outside RHM have taken part in "clinical trials," says Dr. Edelman. Eleven species of animal, from rodents to pigs, cows and baboons, have fed upon it in some cases for four generations, in the search for any sign of toxicity, tumours or damage to the unborn foetus.

The problem, says Mr. Gerald Solomons, in charge of the mycoprotein project, is that as a prospective human food it had to be treated quite differently from a food additive, where it is customary to feed 100 times the normal amount of additive to animals and look for any aberrations. This would be impossible with a staple food. With the new food, therefore, the animals lived exclusively upon a diet in which mycoprotein was the only protein permitted. It has the nutritional value of the same weight of milk protein.

Students helped considerably

in clinical trials of the product. One trial was made by nutritionists at the Massachusetts Institute of Technology, after the research proposal had been approved by both the U.S. Food and Drug Administration and MIT's own ethical committee. Another trial was made at the research centre with students from High Wycombe College of Technology, who ate a lunch based on mycoprotein cooked daily for them by Kate Simmons who runs the experimental kitchen. According to Dr. Edelman, their own complaint was that he refused to serve beer with the lunch.

But the RHM scientists are acutely sensitive to certain misunderstandings about their process. For one, their feedstock is carbohydrate—a food, and not to be confused with hydrocarbons, the feedstock for most of the protein manufacturing processes under development, such as ICI's Proteen process. For another, the organism they are cultivating is not a bacterium—not even a single-cell organism—but an edible fungus. They never forget the protein dietes and fads people have about food, they say.

Any commercial plans RHM may have for marketing mycoprotein are being kept secret until they have government approval. The biotechnologists believe that the next step should be a continuous fermenter of about 20,000-25,000 tonnes capacity, a year's making mycoprotein as a bulk raw material which RHM might sell—as it sells flour—to other food processors. Process efficiency is high. It takes only two to three pounds of carbohydrate to produce 1 lb of protein by the RHM process, whereas it takes about 20 lbs of carbohydrate eaten by a cow to produce 1 lb of protein, when one takes full account of the carcass and other wastes.

By any standards it must be seen as a highly cost-effective route to high-grade protein. Moreover, the product is low in fat and what is present is vegetable fats, low in cholesterol.

But it was important to us—and to our Board—that we were not fooling ourselves," says Dr. Edelman. So the scientists invited another big food processing group to try making food products. "They did better than we have," he admits. The range of mycoprotein foods which have now been created includes ham-and-chicken croquettes, game pie, ham sandwiches ("best with Hovis"), crisps, biscuits, fortified drinks, soups, and a few ideas being kept secret at the moment.

Jack Edelman, a biologist who came into industry from Queen Elizabeth College in London and still retains a chair there as visiting professor, sees mycoprotein as the way to convert any surplus of the indigenous carbohydrate crop of any country—wheat in Britain, potatoes in Ireland, rice, sugar or cassava in hotter climates—into food products of much higher value. For the RHM scientists, the manipulations of the "genetic engineers" in modifying micro-organisms to make them more efficient, for example, have few attractions compared with the

risks of hindering public fears of their food. For the Tate and Lyle scientists at Reading, who are extracting their sweet protein thaumatin from a living plant, genetic engineering could have some very significant advantages.

Thaumatin is extracted from part of the seeds of the fruit of *Thaumatococcus daniehl*, which grows wild in the rain forests of Ghana, Liberia and other West African nations. The fruit is like an elongated tomato, and bright red when ripe. The extract, freeze-dried, is not only intensely sweet but a flavour enhancer. Chewing gum containing the extract will retain its flavour of spearmint for as long as an hour, claims Mr. Fraser Irvine, managing director of Tate's Development, a Tate and Lyle subsidiary.

Mr. Irvine sees the market for Tain as a food manufacturing ingredient rather than as a table-top sweetener. Only Japan—last July—has so far approved the additive for use in food, but it has been under review by MAFF and the Department of Health since early 1978. Tain is an expensive product. Although very little is needed, Tate and Lyle has already opened a "six-figure market" in Japan, he says. "In the sweet business we're playing for very high stakes." Two other natural sweeteners, also extracted from fruits exclusive to West Africa, appear to have failed commercially, while the

... the way to convert any surplus carbohydrate crop into food of higher value

synthetic sweeteners are viewed with deepest suspicion by the food regulatory authorities at the developed world.

But Tate and Lyle has its problems with thaumatin, too. The company has been under pressure to install the processing plant operated under close surveillance from its research centre in Reading—in the country where the fruit is harvested. Attempts to cultivate it in politically more stable places have failed.

So its scientists are collaborating with genetic engineers at the University of Kent, led by Professor Ken Stacey, in attempting to persuade a microbe to make thaumatin. Their idea is to try to transfer a natural ability to synthesise the protein to a micro-organism which can be cultivated in a fermenter—just as RHM cultivates its mycoprotein. Ideally, this would be an organism already accepted as food, such as a yeast. In this way, the company might be able to bring the entire Tain manufacturing process into the factory, using bio-technology, believes Dr. Renton Righelato, Tate and Lyle's director of research.

## Letters to the Editor

## Freeze

From Mr. E. Dyke

Sir—How is it possible for Sir Michael Edwards and Moss Evans to impose a 5 per cent to 10 per cent pay rise with strings attached and job insecurity, confronted by a 20 per cent rise for teachers and civil servants, both of whom enjoy job security.

Surely in fairness to BL management and unions there is a burden upon the Government to put its own house in order and to deny the awards mentioned in the public sector. They are seriously close to the "hyper" inflation take-off point which it is thought to be at around 33 per cent when the growth curve moves from the dominant horizontal incline to the dominant vertical.

In view of the serious nature of the proposed public sector awards, one suspects that there may be no alternative for the Government but to impose overnight, a prices and wages freeze.

E. D. Dyke.

19, Approach Road,

Margate, Kent.

## Pensions

From Mr. D. Blair

Sir—I have never been one to resist a challenge, so it is with alacrity that I take up the gauntlet thrown by Mr. Banks-Jones (April 11). I freely admit to many faults but never to having a head-in-the-clouds attitude. Even my severest critics will concede that I am a realist and a pragmatist.

In consequence it is possible for me, with total confidence, to offer a practical and constructive approach to the problem of index-linked pensions. Let the Government assess and publicise the true change to we tax-payers of maintaining public service pensions at their present level. At the same time the Government should indicate how much this cost may be attributed to past indexation of the original pensions.

A further essential ingredient is to discover the size (in absolute, not percentage terms) of the "subvention" adjustment made for this purpose when assessing civil and public servants' pay. Then, and only then, when the facts are made known, the Government should issue a policy statement indicating whether, on our behalf, it intends to continue to devote that proportion of total public expenditure to index-linked pensions.

The alternative is to place a statutory limit on the size of any future increases, which may be unattractive or even unacceptable to the vast majority of civil and public servants, but would be in keeping with the resurgence of cutting one's coat according to the cloth. Indeed, this is the nub of the problem; for too long we have been promising ourselves more and more in the expectation that our children and grandchildren will foot the bill. We are now experiencing the first signs of a revolt among the present working population who in effect are beginning to reject this notion.

I have no desire to fuel the flames of the funding versus pay as you go debate, but it cannot be denied that the advance funding of a future commitment imposes a financial restraint which at the very least inhibits "pie in the sky" promises.

In short, if this country is to have any future we should strive to overcome the evil of inflation, however painful the process. This task is hindered with every step that we take in the direction of institutionalised inflation.

D. Blair.

74, Church Lane,

Loughlin, Essex.

## Russia

From Mr. A. Browne

Sir—I wonder if people like Mr. Walboffe-Wilson (April 16) really do the West a service by harping on about supposed Soviet technological and industrial deficiencies. There is a phrase "know your enemy" and if the USSR is our enemy we should know and act on the

reality. Industrially as well as militarily. There is a tendency today to regard that power as having, militarily, outsize gloves of mail but, industrially, feet of very soft clay. I can remember hearing—indeed, repeating—the belief, in the 1930s that Russian peasants would never be able to drive tanks or fly planes, let alone design them. There are now military historians who believe that of World War II was the T34 and the best fighter plane the Yak 3.

If Mr. Walboffe-Wilson would consult the United Nations Yearbook he will see that the Soviet Union now outproduces the U.S. in many of the primary products of an industrial society and that in one it does not, electricity. It manages, despite alleged technological deficiencies to run its power stations more efficiently. In terms of load factor, I looked up last year's Soviet statistics and see that oil output went up by 3 per cent and gas by 11 per cent. There was a slight drop in coal output but it was a particularly bad winter there and Mr. Walboffe-Wilson might recall that had winters lead to coal troubles even here, where the worst winter is not as bad as the normal Russian one and only lasts six weeks at the most.

For reasons best known to them, Soviet authorities have decided to switch their main investment for a number of products from the West, doubtless still rich in resources, to the more difficult East. Their argument is that although initial costs are much higher and results slower, the eventual return will be so great that overall costs will be less. They support this with figures for such places as Yakutia, more remote, even than Siberia and apparently richer, even than South Africa. One coal basin is said to have easily available reserves, in seams up to 150 feet thick, able to meet total British levels of output for 400 years. Oil and gas deposits seem to be akin to those of West Siberia, itself much richer than, say, Texas.

News items of April 16 indicate that the USSR is now able virtually to dictate, in purchasing some commodities, the amount it will have, when and the price. It has recently resurrected proposals for a world energy-sharing plan. Rather than dismissing them as just attempts to get its hands on Middle East oil it might be wiser to consider what a world plan can bring to a world plan and that, if excluded, it might eventually be able to nuthy even the U.S.

A. G. Browne.

2, Beauchamp Road,

East Molesey, Surrey.

## Leather

From Mr. A. Lyman

Sir—Replying to your editorial of April 10 on the case for free trade, as a manufacturer of many years standing and involved with exports totalling 75 per cent of our production, I would like to say that the pressure by the TUC for import controls is by no means confined to that sector. My firm are leather manufacturers and have been in business 110 years, but unless something is done immediately by the Government to give us fair trading we and many like us in the leather trade, boot and shoe trade, leathergoods trade etc. will be put out of business.

We do not ask for protection as such, but to be given a reasonable chance to compete with countries who heavily subsidise their imports into this country to the extent that these goods can be considered dumping. We are asking for protection against utterly unfair trade. We cannot, with every possible effort, stand up to countries in the Far East etc. who are selling from 25 per cent to 200 per cent cheaper than we possibly can. Not only can we not sell against them in this country, but we are losing nearly all our export trade as well and the other EEC countries, the U.S., Canada and Scandinavia, plus Australia, New Zealand etc. are all suffering in the same

way. Almost all the other countries, however, have imposed restrictions in the last 12 months, not only on these low priced imports, but also on our UK goods at the same time, so there is little fear of retaliation which you and others mention because almost every other country in the world has already done so. It is only by imposing import restrictions that we shall get these offending countries to change their attitude.

What is the sense for instance of the UK allowing almost unrestricted imports free of duty when from the same countries we face import duties of 50-75 per cent and very limited quotas at that? We are being the world's fools by opening our doors wide and being taken for a ride. When the oil boom ends what will this country do then if in the meantime almost all the old reliable industries have been killed off? With non-stop inflation, the over valued pound and this unfair import situation will you tell us how we can survive? We buy most of our raw material from India, and have done so for a century. They now impose 25 per cent export duty on this, and then use it to subsidise their manufactured leather sent into this country and our customer countries, and we allow this in almost free of duty and are being undercut by about 30 per cent. Is this free trade or even fair trade when as if we tried to export to India we would have to face an import duty of about 75 per cent?

Other trades are similarly affected and surely these industries warrant special attention from the Government and at once.

Arthur O. Lyman.

Reginald Dickens Ltd.,

Harrold, Bedford.

## Driving

From Mr. R. Beale

Sir—Mr. K. A. Mansfield of the British Insurance Association (April 15) has known me far too long, on both sides of

the fence, to suggest seriously that I misunderstand the motor insurance repair research centre at Thatcham, which was not, in any case, the principal point of my letter of April 11.

I fully appreciate the excellent work of the centre but, taking up Mr. Mansfield's "red herring," I will say again that the majority of car repairers cannot match the "model" repair costs suggested by Thatcham simply because they do not have the financial resources to install the equipment of the latter. Mr. Mansfield may recall a TV programme some years ago when an Essex garage proprietor explained what he could do if motor insurers would guarantee him a regular flow of repair work which was impossible because a motorist is free to choose his own repairer.

I am well aware that crash repairs cost over £500m each year, probably a modest estimate, but I do not intend to be diverted from my main point, viz. why all the leading motor insurance companies and the majority of others which comprise the membership of the British Insurance Association adamantly decline to give tangible recognition to those who seek to improve their driving standards.

Many more drivers would take such tests as that of the Institute of Advanced Motorists if success would earn a premium discount; such statistics as are available show beyond question that this could reduce materially the number of road accidents, of which 90 per cent are estimated to be avoidable. Motor insurers are obviously concerned with reducing their claims costs, but they appear to be less concerned with a far more important aspect. By encouraging better driving and eliminating many avoidable accidents, they can also help to reduce the appalling toll of death and injury on the roads, for which no insurance payment can compensate.

Mr. R. Beale.

Chimneys, 27 Oaklands Close,

Weybridge, Surrey.

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# Deng fights muddle and sloth

BY COLINA MACDOUGALL

## ZHAO ZIYANG: A COMING MAN

ZHAO ZIYANG, who, vice premier Deng Xiaoping strongly hinted on Thursday, would shortly take over from Hua Guofeng as Premier, is a tough administrator who believes in pragmatic policies. As top party official in Sichuan province from December 1975 until a few weeks ago, he repaired the damage done by the Cultural Revolution, boosting agriculture, curbing population growth and re-organising industry. Zhao has impressed foreigners with his charm and ability.

He became a full Politburo member last September and was appointed vice premier this week. At 61 he is representative in age and views of the younger men Deng wishes to install in top jobs. Some observers believe that Zhao supports the removal from the constitution of the clause guaranteeing freedom of speech and expression since he attacked "bourgeois liberalism" in an article last autumn.



astonishing proportions.

Part of the problem in shifting investment from heavy to light industry is the lack of proper control over funds. In 1979, said the People's Daily, though the budget for capital construction was reduced, there were more than 30 other channels for obtaining finance. Projects which the centre wanted scrapped were continued because local officials provided loans, or economists in the case of other projects in order to finance them. In one case, a terylene workshop was cut out by the state but local departments scraped up money between them to keep it going. Accounting seems to be so slack that funds can simply be given another name and used for the same purpose.

An important move to make industry more responsive to the real needs of the economy was the freeing of 3,000 enterprises from tight control, allowing them to test new management systems and profit sharing. These enterprises make up 7 per cent of China's total and are already producing 30 per cent of the country's total output by value. But they ran into trouble right away with local officials who feared for their own jobs. Further jealousies arose because high profits were often generated by high prices which the state had fixed.

New conflicts could be caused by revising prices as currently, for instance, coal is much cheaper than petrochemicals and the profit from mining coal is very low. If that were re-adjusted, shanxi province, which accounts for 14 per cent of all China's coal output, would profit at the expense of a manufacturing centre like Shanghai. The social strains that would be caused can be imagined. The alternatives are to impose higher taxes on successful enterprises and to give them loans instead of development

grants. These tax and price questions are a fertile field for muddle.

The Chinese officially admit that last year's increases to wages and prices of farm produce were too high. Inflation in the towns has been the inevitable result. Some observers in Peking believe that the Chinese have resigned themselves to the certainty of inflation of some 10 per cent, and indeed, wage rises are promised for later this year. But after 30 years of freeze, the vast problem of how to manage complex questions of prices and wages must be causing sleepless nights.

Perhaps the worst hurdle of all is the continuing disillusion and opportunism of the young. Sons and daughters of senior cadres think the party is a joke. In lesser families the tendency is to exploit whatever opportunity for pleasure or profit comes along. Corruption among officials has been widely criticised and punished, but the critics too have been silenced. The most famous example is that of a young man who claimed to be the son of a deputy chief of staff—was eventually suppressed. The civil and military bureaucrats at the very top could not take it.

Witness to the general collapse of morality in the face of marginally growing affluence is the huge network of smuggling of Hong Kong calculators and similar products that has spread like wildfire from Canton. Deng may believe that party reform and purges may be an answer. Yet the unedifying sight of further infighting may sap the will to work for modernisation even more. On top of that, the unfamiliar problems for an inexperienced leadership of shifting to a partial market economy may simply prove too intractable.

AMONG THE many wonders of Peking, the vermilion courts of the Forbidden City and the deep blue tiles of the Temple of Heaven, the most remarkable is the crystal coffin of Chairman Mao enshrined in its august mausoleum, far from it.

Today's attraction is a marble temple to consumerism, besieged by swarms of devotees. On the busy thoroughfare of Wang Fu Jing, amid the push-trappings of western retailing, they gaze entranced at an array of Japanese watches. In short, it is the newly-opened Seko shop.

This is just one of the visible signs of China's increased interest in the consumer and growing commerce with the outside world along with The Man from Atlantis on Peking television and the freshly painted Japanese consulate in Shanghai. They point the way to the future; but the fundamental changes will take years to bring about. If indeed China's leaders ever do manage to turn the ship around.

Last year China introduced a three-year "readjustment" programme of the economy as a springboard for modernisation. It was intended to cut down the excessive growth of heavy industry and switch investment to light industry to produce more consumer goods. However, it has run into such complex difficulties that it is likely now to be quietly superseded by the new 1981-90 plan, currently being drawn up for the next party congress to approve.

Official industrial and agricultural growth targets for 1980 have been cut from last year's 8 per cent and 4 per cent respectively to only 6 per cent and 3.8 per cent. This is in value terms, so China's inflation rate—estimated by some observers at 5 per cent or more—may mean there will be no real growth at all.

Towering over other problems and defeating the efforts to change gear in the economy is the question of leadership. The reform group headed by Vice-Premier Deng Xiaoping still has serious difficulties getting its policies implemented because officials high and low resist them. As long as anyone associated with the Cultural Revolution remains at the top, officials lower down continue to mark time, delaying decisions for which they might suffer if the leadership went into reverse. Although Deng finally ousted four leading Maoists from the Politburo at the party's central committee meeting last February, there still remains the thorny question of Hua Guofeng.

Westerners have argued over the position of Hua, Party Chairman and Premier, ever since the re-appearance of Deng in 1977. How could Deng, who had been humiliated twice during movements which had promoted Hua to the highest office, tolerate him in an apparent compromise, even to ensure national stability? The question has become even more pointed now that research has shown that Hua was on Mao's side as long ago as the 1958 Great Leap and the subject of serious criticism by Marshal Zhou Mao immediately sacked.

The answer seems to be that Deng put up with him because he had to, but now there is no such compulsion. Deng has cleared away the opposition, made some concessions to the army, paved the way to replace Hua as premier with the tough and ambitious Zhao Ziyang, newly appointed vice-premier and a member of the Politburo, at the forthcoming National People's Congress and is, now preparing to ease Hua out of the party chairmanship, and, no doubt, public life.

The scenario is speculative but very plausible. At the next

party congress, due late this year or early next, the party constitution is to be revised. At 59, Hua is too young to retire, as are other elderly officials who are being pressed to do. Deng has to find another solution. It may be either to make the chairmanship a four or five year post (the constitution of the recent central committee meeting said pointedly that cadres should not hold posts for life) or to abolish it altogether.

The Soviet Communist Party has no chairman; the top party post there is general secretary. Adopting that system would be most convenient in Peking the general secretary is none other than Hu Yaobang, believed to be Deng's preferred candidate.

Such manoeuvring at the top will occupy a large amount of time and energy which otherwise would be spent running the country. Even then the political problems would not be solved.

Hua's political demise would begin a new chapter in which Deng's position would be less that of a reformer than of a party official. Four than the tough provincial and central bureaucrats who are hostile to the mild liberalisation which was introduced in December 1978 and is essential in some degree to modernisation.

Accompanying these shifts at the top and at least as preoccupying, is the opening of the painful campaign to review party credentials at mid and lower levels. Nearly half the 38m members of the party have been recruited since the Cultural Revolution. They do not have the ideals, standards or ideological training of the older cadre. Laziness, corruption and pride have resulted to a degree which would be spent running the functioning of the bureaucracy.

The remedy may prove as painful as the disease, and

certainly in the short term as disruptive. It seems unlikely that much economic reform can be carried out at the grass roots when 18m officials are under threat of investigation. As up-setting may be the forthcoming elections for party congress deputies in which, for the first time ever, there will be more candidates than seats. The struggle for votes is bound to mean a concentration on personalities and politics to the exclusion of even routine administrative matters.

These overriding political problems are a serious drag on the economic reforms Deng attempted last year. A case in point is Peking's inability to get the provinces to reduce capital construction on the required scale to restore balance to the economy. The influence of powerful provincial leaders means that expensive projects like the ill-planned Baoshan

steel plant near Shanghai, with huge Japanese and West German involvement, continue to go ahead even when not strictly needed. China already has 18m tons of rolled steel in stock, and investment in the steel industry is supposed to have been abandoned.

Expensive mistakes are still being made. In the past two years, the People's Daily said, one ministry signed contracts with foreign suppliers for six production lines identical to one already purchased but lying idle. Now there are seven sets of equipment in warehouses with no prospect of use for several years. This is not an isolated case; the People's Daily went on: "Some collieries are built, only to find there is no coal underground; some iron mines are constructed only to find there is no iron there. This kind of fruitless investment has probably reached

## Economic Diary

TODAY—EEC Finance Ministers begin two-day informal meeting in Sicily. Norwegian Parliament Defence Committee visit the UK (until April 29).

TOMORROW—Department for National Savings monthly progress report (March). Honduras elections.

MONDAY—Mrs. Margaret Thatcher is guest speaker at Birmingham Chamber of Commerce banquet. Metropole Hotel, National Exhibition Centre, Birmingham. Scottish Trades Union Congress opens, City Hall, Perth (until April 25). Amalgamated Union of Engineering Workers national conference, Union Offices, Blackpool (until April 25). Two-day meeting of EEC Finance Ministers opens, Luxembourg. Two-day meeting of EEC Foreign Ministers opens, Luxembourg. Three-day meeting of EEC Agriculture Ministers opens, Luxembourg. International Olympic Committee executive starts four-day talks, Lausanne. Cyclical indicators for

the UK economy (March). Industrial and commercial companies' and appropriation account, net acquisition of financial assets and net borrowing requirement (fourth quarter). TUESDAY—Unemployment and unfilled vacancies (April provisional). House of Commons debates remaining stages of Employment Bill. Signor Francesco Cossiga, Prime Minister of Italy, in London for talks with Mrs. Margaret Thatcher. Mr. William Whitelaw, Home Secretary, is guest speaker at Association of Chief Police Officers of England, Wales and Northern Ireland luncheon, Tower Hotel, London. WEDNESDAY—Mr. Gordon Richardson, Governor of the Bank of England, addresses Conference on Facts of British Economy, Porter Turn Room, Chiswell Street, London. House of Commons continues debate on remaining stages of Employment

Bill. Three-day Royal Society of Health annual congress opens, Folkestone. British Rail annual report. New constructive orders (February) New vehicle registrations (March). Mr. Andrei Gromyko, USSR Minister of Foreign Affairs, begins three-day visit to France. Greek Presidential election.

THURSDAY—House of Commons debates Opposition motion on soaring cost of living. International Monetary Fund interim committee meeting in Hamburg to discuss plan for substitution account. International bankers meet in Poland to discuss Polish debt. Mr. Hamish Gray, Minister of State for Energy, speaks at dinner of Institute of Civil Engineers, Grosvenor House, London. Bricks and cement production (March). Institutional Investment (fourth quarter). Federation of Professional Officers'

Association conference, Institute of Marine Engineers, Mark Lane, London.

FRIDAY—House of Commons debates second reading of Films Bill. Association of Broadcasting Staff executive meets to discuss BBC pay offer. Welsh Liberal Party Conference, Cardiff. Sales and orders in the engineering industries (March). Three-day Guide of British Newspaper Editors Spring Conference opens, University Arms Hotel, Cambridge. Chief Constable of West Yorkshire talks at Rotary International Conference on Law, the Judge and the Office, Blackpool. Sir Peter Wakefield, UK Ambassador in Belgium, opens seminar on UK trade with Belgium and Luxembourg, Birmingham Chamber of Commerce and Industry.

SATURDAY—Mr. Patrick Jenkin, Secretary for Social Services, addresses Rotary International Conference, Blackpool. Prince of Wales is guest speaker of Guild of British Newspaper Editors dinner, Cambridge.

## Weekend Brief

### A long look at the weather

The glass is falling hour by hour. The glass will fall for ever. But if you break the bloody glass, You won't hold up the weather. Louis MacNeice (Bagpipe Music)

If you ask American or British meteorologists whether they think the world has been getting warmer over the last few years, they will say "no." But if you ask German or Russian meteorologists the same question, they will say "yes." In each case these are the views of scientists considered in the top league as weather men, quoting their own national data. It simply goes to show that one must not jump to conclusions too quickly in such complex matters as trends in world weather.

It shows, too, that assertions made in the mid-seventies that the weather was worsening and the world was heading for another Ice Age have no foundation in dependable data. As one scientist at the Met Office admits ruefully, even the "quantitative" data gathered by weather men has proved pretty erratic.

For example, in their latest efforts to analyse information on temperature, pressure, humidity, wind speed and other weather factors, they found inexplicable anomalies in the data submitted by Singapore meteorologists. They questioned it—and discovered that the Singapore instrument had been faulty since 1968. Now they know what is wrong, they can correct all their readings.

But when this kind of thing happens, what confidence can scientists place in qualitative data, on the history of the weather, on the trends in the weather, on the anecdotes about things getting stuck in the snow? Even the dating of the "little ice ages" can differ by as much as 100 years, depending on whose records one chooses, says one senior meteorologist.

Mr. David Parker, the meteorologist who made the study, found large discrepancies in measurements made over the oceans and sub-tropics. The discrepancies varied with time, suggesting that different spurious climatic changes could be apparent in different sets of data. From a comparison of the records of four major meteorological offices, it is clear that a British researcher of climatic change—the trends in weather over some decades, or longer—would be more likely than a German researcher to deduce that the Arctic is warming up and the sub-tropics are cooling.

For the area north of 20°—roughly the latitude of Mexico City and Mecca—differences are sufficient to swamp any real climatic change which may have occurred in the mid-seventies, says Parker.



Tourists with a helping hand

### A step in the right direction

Many a tourist has left this country believing that Shakespeare is buried in Westminster Abbey and that Dick Whittington was never Lord Mayor of London.

For these strangers may have fallen prey to the "unregistered" guide who often knows little, or cares even less, for the sights he or she is describing.

It was concern for problems like this which caused a group

of guides to form a professional association in 1950 "to establish standards and to create a status that set them above suspicion." This year the association, called the Guild of Guide Lecturers, now more than 700-strong, is celebrating its 30th anniversary.

Meeting members of the guild this week I was struck dumb by the rich background of those I spoke to, and their sheer enthusiasm for the job.

Not one of them viewed it as a tourist processing service, pushing visitors from over-heated coaches into under-heated abbeys. "If you have no pride in your country and a

### Northern Ireland's fishy success

I had promised my step-son a fishing holiday for a long time. Where better I thought than Northern Ireland, my place of work, where the coarse fishing is allegedly the best in Europe.

On Day One, after many tangles and fights with the rushes our total catch was one very small roach. On Day Two in Belfast's Europa Hotel, I saw Mr. Ian Heaps, Britain's last world champion at coarse fishing. (He won the title in 1975 and Britain has had two other winners in the competition's 30 year history.) His car had broken down. I offered to take him to the Quoile River in my car if, in return, he would give us a bit of tuition.

The deal struck, Ian Heaps told us that Northern Ireland possesses not just the best coarse angling waters in Europe, but in the whole world in his opinion. As it to prove his point he caught five fish in the first 10 minutes. By the end of an hour and a half he had caught roughly 400 small roach which weighed around 37lbs.

I caught 50 roach and by step-son 45. The trick, as he showed us, was proper feeling—plenty of ground bait and then present a meggot at the right depth in the water.

In match fishing it is not so much the size of the fish that counts but the number and the overall weight. In the recent three day event in Fermanagh, sponsored by Club, the soft drinks group, the winner caught a total of 414lbs. Ian Heaps reckons that you could win a similar contest in Britain with a catch of 40lbs.

Guides, who are together equipped with more than 30 languages have also got to be able to cope with any situation—from a lost American Express Card to a death on the tour.

One guide was surprised to find that upon the death of his wife on the coach an elderly gentleman deposited her remains in the mortuary and proceeded with the two week tour!

image it would have trouble attracting normal tourists, decided some time back to go for specialised action holidays.

The board persuaded Benson and Hedges to sponsor a five-day annual coarse angling match five years ago. It has proved so popular that this year there were 600 applications for the 300 places and for the first time there had to be a ballot over who could take part (former winners get a place as a right).

This year will guarantee £12,000 in prize money and the Northern Ireland Tourist Board is involved in organising accommodation and travel. In the meantime Benson and Hedges has been joined by other sponsors.

In the second two weeks of May, there is the Fermanagh Festival in which Dunlop is involved. (Lough Erne in Fermanagh fishes particularly well in May.) Bass Charrington takes a tournament in August. It also tried to get a nine-week tuition-cum-competition programme underway but due to vagaries of the fish in Fermanagh (after May they hide in the rushes in the River Erne and only come out again in the autumn), this has yet to get off the ground.

The latest recruit to the sponsorship scene is Club, which for the first time promoted a three day event over Easter. It put up £3,000 prize money. Since Club is a subsidiary of Grand Metropolitan Hotels, which, in turn, owns Belfast's Europa Hotel, the scene over Easter at the Europa was 10 anglers with Cockney accents and Northern Ireland accents talking about "swims" and "good heads of roach" and "best pegging."

Contributors: David Fishlock, Liza Wood, Stewart Dalby.

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## UK COMPANY NEWS

### Boosey & Hawkes cut to £0.6m—pays same

MAINLY DUE to losses at its Edgeware instrument factory 1979 taxable profit of Boosey and Hawkes was depressed from £1.1m to £0.6m. Earnings from copyright royalties were well maintained.

Output at the factory had been inadequate but management changes have now been made there and production control specialists have been called in. Also changes are being made to its process and plant to ease bottlenecks, the company reports.

At half-time when profit hit by the difficulties on the instrument side, fell to £391,000 (£632,000), the company had warned that the hoped-for improvement for the year was unlikely to be realised.

Of the current year the directors say it is too early to comment on prospects but first-quarter results were slightly better than last time.

After tax and minorities of £21,000 (£47,000) stated earnings per 25p share for the year dipped 2.4p to 14.8p but the net dividend is being maintained at 5.687p by a 3.787p final. There was an extraordinary debit of £108,000 (£190,000).

Turnover for the year reached £17.9m (£16.65m) including 20 per cent higher UK sales of brass and reed instruments. However, imbalance in instrument production, together with shortages of skilled workers and the lengthy training periods involved led to a rise in both work in progress and overheads during the year.

Since the first half of 1977 six monthly profit figures from Boosey and Hawkes have been steadily falling away leaving the latest full year profit 71 per cent short of the 1976 peak of £2.3m. For the record the second half of last year was down 58 per cent against the comparable period of coming on top of half-yearly

declines of 38, 49, 32 and 16 per cent. The main problem has been musical instrument production—profits from there were probably very small. Demand now may not equal the hey-days of brass bands but evidently the real upset has been poor management controls coupled with an outdated factory. Management has been replaced and profitability is expected to recover. Hopefully the road back to £2m will be a little shorter than the downhill march to £300,000. Meantime electric organ distribution remains a tough market. However the enduring music publishing business remains as solid as ever. The problem there, if any, is finding the music that will continue to bring in the goods in the decades to come. At 86p a p/e of 5.6 and yield of 9.8 per cent is a fair enough valuation.

### Lowland Drapery into loss

A TURNAROUND from profits of £178,349 to losses of £61,805 for 1979 is reported by Lowland Drapery Holdings, wholesale and retail textile warehousing concern.

Midway, there was a profit of £300 (£121,500). The directors said they were encouraged by the increase in forward orders booked by the wholesale division, and output of Craftsman Overalls was taken up to the year-end.

On the retail side, much depended on trading levels during the Christmas period. A final dividend of 1.5p is proposed, following the passing of the interim—last year's total was equivalent to 5p.

There was a tax credit of £105,328 (£97,796 charge) for profit after a tax credit of £38,367 (£6,946).

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The year-end balance sheet showed shareholders' funds down at £2.71m (£3.13m) while loans, deferred tax and minorities stood at £608,953 (£709,108) and bank overdrafts and acceptance credits were up at £1.9m (£1.3m).

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### Clayton ahead of forecast

WITH AN increase in second-half profits from £354,037 to £635,687, Clayton, Son and Company (Holdings), engineer, finished 1979 ahead of expectations with a pre-tax surplus of £635,687, compared with £759,037.

The increase in profits at Midway, from £399,000 to £398,000, was due largely to an incidence of completed contracts, and the directors warned that the second half would be affected by the engineering strike. They hoped profits would approach those of the previous year.

Turnover improved from £11.79m to £13.5m, and the pre-tax profit includes a reduced contribution from associate companies of £49,750 (£71,466).

After tax of £477,425 (£445,413), earnings per 50p share are shown up from 11.63p to 19.86p. The dividend is lifted from 5.0644p to 5.1597p net with a final of 4.0225p.

The position relating to the recovery of debts from Nigeria and Sudan has improved significantly and they anticipate that a substantial proportion of the bad debt provision made last time will be recovered.

Since the beginning of the year, further plans have been implemented to reorganise the group's activities between its various locations. These moves are being carried out at minimal direct cost but should result in a substantial saving of overheads in 1980-81 and provide for better facilities and more restricting future developments.

There is an interim dividend of 1.5p net—the single payment for the previous nine months was 4.5p. After deferred tax this

Trading profits of Towles, hosiery and knitwear manufacturer, slipped from £862,000 to £758,000 in the year to February 29, 1980, but the single dividend is stepped up from 2.35p to 3.4p net.

(Tax took £122,000 (£277,000)). There was an extraordinary credit last time of £217,000.

Communications between North Sea Assets and its shareholders had not been as good as they should have been until improvements had been made over the past three months.

This has led to misunderstandings of the board's policy, a lot of adverse comment, and a erosion of the company's reputation. Lord Clyde, chairman, told yesterday's extraordinary meeting during which a two-year moratorium on new investments was agreed.

The meeting was attended by representatives of the holders of 53 per cent of the shares who, apart from one abstention, all voted in favour of the resolution.

The board successfully headed off calls from institutions, which held almost all the shares, for the fund to be wound up.

The fund was opened in 1972 by the Edinburgh managers Ivory and Sims to make direct investments in the service sector of the North Sea through unquoted companies. It suffered badly from the slump in oil industry ordering through the late 1970s and some institutions had suggested it went into liquidation.

To reduce disparity the interim dividend is raised from 1.11p to 1.25p net per 10p share—the 1978-79 final was 2.6p.

COINCIDING with a very rapid decline in demand, particularly for starter switches, the half-year to December 31, 1979, at Arlen Electrical (formerly Enalon Plastics) produced pre-tax profits of £119,000 from turnover of £3.8m.

Although not directly comparable, the preceding nine months, which included the results of group companies for varying periods, brought turnover of £7.31m and pre-tax profits of £202,900 after a bad debt provision of £95,400.

The half-year result, which includes the effect of establishing improved facilities at Folkestone, is described by the directors as very disappointing, but they say there has been a marked improvement in the last two months.

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### DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre-Total	Total
Albany Inv. Tst.	1.11	July 1	0.89	1.63
Arlen Electrical Int.	1.5	July 1	—	4.5
Boosey and Hawkes	3.77	May 14	0.18	5.67
Brit. Empire Sec. Int.	0.2	May 22	3.57	6.16
Clayton Son	4.6	—	2.22	1.5
Lowland Drapery	1.5	Aug. 1	2.54	1.32
Franks Shaw	3.4	July 1	2.36	3.4
Towles	Nil	—	2.0	0.5
Yorkshire Spinners	Nil	—	2.0	0.5

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Plus non-recurring dividend of 0.2p. §Including special dividend of 0.1697p.

time of £51,900, earnings per 25p share are shown as 1.81p or 1.62p fully diluted. Retained profit is £27,700.

The group manufactures and markets fluorescent control gear and accessories, electrical wiring accessories and plastic components.

There was a hint of caution in Arlen's last accounts but it was not enough to steel the market for yesterday's sharp slide in profits and the shares shed 8p to 56p.

The main culprit for the decline was the EFA division manufacturing starter switches for fluorescent lighting. Demand, which is historically cyclical, swung down.

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### BIDS AND DEALS

## State judge rules federal law prevails in Grand Met bid

A NORTH CAROLINA judge has ruled that Federal Law requiring Grand Metropolitan to proceed with its \$415m takeover bid for U.S. tobacco and spirits company Liggett Group has precedence over the state's law requiring a 30-day waiting period.

At the request of Liggett, a North Carolina court had issued a preliminary injunction on April 1 blocking further purchases of Liggett shares by Grand Met.

Liggett alleged that because its headquarters are in North Carolina, Grand Met had to comply with the state's Tender Offer Disclosure Act.

Meanwhile, the State of South Carolina has issued a cease-and-desist order temporarily blocking Grand Met's bid. South Carolina's secretary of state, Mr. John Campbell, has also obtained a temporary order in county court, restraining Grand Met from buying further Liggett shares and ordering it to show at a hearing on May 12 why it has not filed any documents on the bid as required by South Carolina's Tender Offer Disclosure Act.

It is alleged that the Grand Met bid comes under South Carolina law because a Liggett subsidiary, Atlantic Bottling Company, is incorporated in the state.

Liggett itself is incorporated in Delaware. Other subsidiaries are incorporated in Pennsylvania, New York, Alabama, New Jersey and California.

Grand Met managing director Mr. Stanley Grinstein said the company was now in a position to require papers in South Carolina but has not filed in any of the

other states in which Liggett subsidiaries are incorporated, and therefore it is possible that they may have other nasties emerging.

Mr. Campbell was uncertain yesterday as to whether compliance with the state's law was sufficient to lift the order to appear May 12.

Another action in a Delaware Court over jurisdiction has been cancelled while yet another in a New Jersey court continues.

PROV. LAUNDRIES MOVES INTO SIGNS. Provincial Laundries has purchased 85 per cent of the capital of the privately-owned London-based Sign Signs, makers of balloons to industry which can carry specialised advertising material.

The initial consideration, payable at completion, is £127,500 cash. The maximum deferred payment is £212,500, dependent upon the success of the bid, being achieved in 36 months to December 31 1982.

There are options exercisable by Provincial or the vendors to purchase or sell all the 15 per cent of the outstanding capital. They are exercisable from 1984, the price to be equal to the fair value of the shares.

For the year ended September 30, 1979, Signs made a profit before tax of £37,941 on sales of £216,544. Net assets at that date amounted to £38,700.

This move by Provincial follows several other purchases made by the company recently.

Mr. Anthony Miller has purchased 22,770 ordinary shares and £500,000 nominal 12 per cent preference shares in 1980-81. The 1980-81 year ended March 31, 1979, of which he is managing director.

Louis C. Edwards and Sons (Manchester) is to discontinue its meat product manufacturing activity from the end of next month because of continuing losses. LCF recently merged with Morgan Edwards, the grocery concern, bringing together the food interests of Mr. James Gulliver.

Management accounts for 1979 showed sales for the meat manufacturing activity of £1,000,000, a loss of £100,000 and an operating loss of £100,000.

The company said this loss does not affect the forecast profit before tax and extraordinary items for the continuing operations of the company of £160,000.

In the light of significantly increased losses in the first quarter of the current year, the directors do not consider that the activity as presently constituted is capable of long-term profitable development.

Closure costs are not expected to exceed £450,000 including redundancy payments and operating losses, and full provision will be made in the 1979 accounts. Fixed and current assets employed in the discontinued activity, totalling some £400,000 net of closure provisions, will be available for disposal.

ARC EXPANDS. Amey Roadstone Corporation has completed the acquisition of Spollen Concrete, the largest private company in the ready-mixed concrete and concrete blocks industry in Ireland.

J & P ENGRG. Mr. Maurice Withall, the Receiver at J. and P. Engineering (Reading) has sold the assets of the engineering division.

The sale does not include the Bodycutter and Nucleon divisions, but Mr. Withall says he has received an encouraging number of enquiries, and hoped to be able to find purchasers for them.

PLASCOAT. Plascoat International, a member of Imperial Group, has acquired a majority interest of 75 per cent in the Chantal group of companies based at St. Nazaire in western France.

Chantal has a turnover of £4.5m and is engaged in specialist plastics moulding employing a variety of modern techniques and materials.

Plascoat will continue to develop Chantal's activities. It will explore the possibilities of expansion.

STRONG & FISHER. Strong and Fisher has agreed to acquire, subject to the satisfaction of certain conditions, the capital of Harrold Leather for a nominal consideration.

Harrold Leather produces high quality leather from goat and calf for the shoe industry at its factory at Harrold, Bedfordshire, and exports the major part of production.

Shares together accounting for 50.38 per cent of the voting capital. He is to retain 26,292 ordinary and 45,731 preference shares for at least one year.

Greenwalk is nominee for the Jack Walker Children's Trust, the Ramon Greene Children's Trust, Mr. Cyril Blaustein and certain members of his family, and Henry Kaye and members of his family.

Lidstone announced in January that to the extent that the Gilmore debt proved irretrievable, provisional arrangements were being made to protect the company from any loss. Lidstone said then that it was not experiencing any financial difficulty and was continuing to trade profitably.

Shortly after the Gilmore collapse the City of London Fraud Squad announced that it was going to investigate the company's affairs. It is understood that the inquiries are going very slowly and taking longer than anticipated.

### Francis Shaw deeply in red as strike dashes earlier hopes

THE ENGINEERING strike and high interest charges pushed Francis Shaw and Company deeply into loss in the second half of 1979. Counter to mid-year hopes the machinery manufacturer, in which the National Enterprise Board has an interest, finished the year with a taxable loss of £293,654, compared with £221,694 profit.

Even so, the directors say the tighter control of financial resources is enabling payment of a 1.317p net dividend—fractionally less than 50 per cent of the 2.655p paid for 1978.

At half-time, when profit fell from £133,242 to £29,305, the company had expected to show a surplus at year end provided the engineers' strike was short lived. In the event not only were losses incurred during the dispute but contracts were delayed so that their profits could not be brought into the 1979 figures.

The current year began better but the company is now suffering the effects of the steel strike.

Sales for 1979 were down from £12.01m to £10.66m. The company was struck after interest £188,220 higher at £472,031 and net loss emerged at £355,317 (£228,640

### Kalamazoo little changed

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### R. DUTCH/SHELL

The annual meeting of Royal Dutch Shell Group will be held on May 20 at 11.30 am.

### North Sea Assets improves contacts with institutions

BY RAY PERMAN, SCOTTISH CORRESPONDENT

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LOYS BROWN  
LOCAL PAY  
LAWYER  
FROM & FINE  
details

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# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

American insurance broker Marsh and McLennan finally succeeded in its attempt to acquire C. T. Bowring by increasing the offer to over £250m. The original bid launched last December was widely contested. Bowring entered negotiations with Marsh after the Department of Trade decided not to refer the bid to the Monopolies Commission. The new terms are three Marsh shares plus £95 cash for every 100 Bowring shares, valuing the latter at around 172p each.

Grand Metropolitan launched a \$415m (\$189m) tender offer for U.S. consumer products concern Liggett's despite strong opposition from the latter that has included use of the courts. The offer, of \$50 per share follows fruitless discussions between the two groups. Liggett's main attraction in Grand Metropolitan is its drinks business—the group holds the distribution franchises for J and B Scotch, the U.S. brand leader produced by Grand Met.

Richards and Wallington purchased 49.9 per cent of the issued capital of Unit Sales (DIY) the Midlands DIY supermarket operator, for £142m cash.

Company bid for	Value of bid per share**	Market price	Price before bid	Value of bid fm s**	Bidder	Final Acc'te date
Prices in pence unless otherwise indicated.						
Barget	120 <sup>+</sup>	19	11	8.56	Timex	—
Bishopsgate Prop. Bearer (C. T.)	57 <sup>+</sup>	44	51 <sup>+</sup>	0.38	Ekly. Hambro	—
	172 <sup>+</sup>	155	141	188.3	Marsh and McLennan	—
City & Indl. Trst. Canada	182	145	128 <sup>+</sup>	20.73	Guthrie	—
Cray Elect.	106 <sup>+</sup>	82	55	58.37	L. C. Gas	—
Dorlot Tel.	31 <sup>+</sup>	82	23 <sup>+</sup>	0.93	Thermaria. Tst.	—
Furness Withy Gibbs (A.)	270 <sup>+</sup>	275	215	0.29	Categold	—
	420 <sup>+</sup>	356	332	112.5	C. Y. Tung	—
	85 <sup>+</sup>	80	82	9.80	HK & Shanghai Bank	—
Hendersn-Kerton	229 <sup>+</sup>	222	118	14.68	Harris Greenaway	—
Hoffman (S.) Lifstake	88 <sup>+</sup>	88	74 <sup>+</sup>	15.51	Burns Phillip	29/4
	250 <sup>+</sup>	310	290	0.51	Grewalk Nominees	—
Lead. & Prvnc. Indus. Maple	150 <sup>+</sup>	470	267 <sup>+</sup>	9.12	Reed Intl.	—
	304 <sup>+</sup>	314	271	8.37	Waring & Gillow	—
Mrgn. Edwards <sup>††</sup> Nationwide	122 <sup>+</sup>	120	123	4.23	Edwards. (L.C.)	—
Leisure	6 <sup>+</sup>	74	9	0.86	Hantlodge	—
Northbrook (H.)	21 <sup>+</sup>	24	19	0.90	Burgess (F.H.)	—
Northwest Hotel	145 <sup>+</sup>	125	118 <sup>+</sup>	7.77	Waccan	—
Paradise (B.)	10 <sup>+</sup>	17	24 <sup>+</sup>	8.87	Pol(mn. (R.J.))	—
Status Discount	78	70	69 <sup>+</sup>	3.12	MFTI	—
Turner (W. & E.)	87 <sup>+</sup>	82	48 <sup>+</sup>	9.07	J. Hephworth	—
Viking Oil	300 <sup>+</sup>	£108	£10	810	Deminx	—

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. \*\* Based on April 18, 1980. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ††† Unconditional. \* Plus royalties.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Aberthaw Cement	Dec.	1,000	(1,250)	32.1 (26.8) 8.44 (7.55)
Astbury & Madley	Dec.	1,210	(1,010)	19.0 (14.7) 3.25 (2.0)
Auto. Security	Dec.	1,550	(1,020)	15.6 (10.6) 2.0 (1.47)
Baird (William)	Dec.	7,810	(5,460)	33.3 (23.3) 12.25 (10.37)
Bank of Scotland	Feb.	40,840	(34,262)	77.1 (66.2) 15.0 (12.25)
Barrow Hephurn	Dec.	3,040	(1,370)	7.9 (2.7) 2.2 (1.0)
Beaufort Group	Dec.	580	(580)	10.9 (17.1) 4.15 (3.73)
Benford Concrete	Dec.	2,980	(3,270)	8.4 (10.1) 2.63 (2.03)
Bentalls	Feb.	2,250	(3,210)	5.4 (7.0) 1.35 (1.32)
Berwick Timpco	Dec.	1,520	(1,180)	25.2 (12.1) 6.0 (3.32)
Bowthorpe	Dec.	7,820	(6,520)	9.4 (8.8) 2.7 (1.9)
Bramall (C. D.)	Dec.	1,780	(1,410)	33.5 (26.9) 5.26 (4.57)
Brooks Group	Dec.	288	(988)	2.3 (8.1) 1.28 (3.17)
Ennagh Oil	Dec.	67,343	(17,130)	29.9 (4.7) 6.5 (—)
Ennagh Oil	Jan.	24,820	(21,790)	15.9 (13.4) 7.4 (6.7)
Cory (Horace)	Dec.	480	(510)	3.9 (3.3) 1.2 (0.78)
Currys	Jan.	11,900	(12,200)	40.0 (34.7) 7.5 (5.07)
Dares Estates	Dec.	605	(348)	3.7 (3.0) 1.13 (0.75)
De Vere Hotels	Dec.	1,940	(2,210)	9.8 (10.0) 6.0 (5.2)
Dorward (H. J.)	Jan.	1,880	(1,300)	10.4 (8.6) 1.5 (1.18)
Downland Holdings	Dec.	1,920	(1,810)	10.7 (14.6) 5.47 (4.57)
Downland Hlds.	Dec.	540	(430)	5.8 (4.7) 3.0 (2.58)
England (J. E.)	Dec.	251	(42)	— (0.54) 0.4 (4.42)
Hewlett Siddeley	Dec.	107,800	(118,000)	32.2 (36.0) 8.0 (7.5)
Higgs & Hill	Dec.	908L	(2,060)	— (24.6) 8.85 (3.85)
Hill (H. & J.)	Dec.	108L	(55)	— (2.4) — (1.25)
Home Charm	Dec.	2,780	(2,110)	19.4 (13.3) 2.3 (1.43)
Hunting Petrol.	Dec.	2,880	(2,080)	17.9 (14.0) 5.5 (4.68)
Huntleigh Group	Dec.	578	(860)	4.8 (1.6) 1.19 (0.76)
Lamont Holdings	Dec.	283	(101)	2.8 (5.0) 1.0 (0.3)
Lee Refrigeration	Dec.	1,620	(1,360)	18.0 (12.8) 3.7 (2.9)
Marshall (Tb'm's)	Dec.	424	(1,140)	7.6 (15.7) 2.78 (2.78)
Marlin (Albert)	Dec.	922	(1,250)	11.7 (17.6) 4.3 (4.13)
Mersey Docks	Dec.	7,480	(1,470L)	— (—) — (—)
Midland Inds.	Dec.	2,500S	(2,110)	18.4S (18.0) 3.0S (1.18)
Nysson Group	Dec.	2,100	(1,250)	22.4 (12.2) 3.8 (2.75)
News Inter.	Dec.	27,970	(24,830)	30.4 (25.4) 6.0 (4.97)

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Northern Eng.	Dec.	15,130 (30,460)	5.9 (14.5)	3.75 (3.75)
Owen Owen	Jan.	2,550 (2,950)	19.9 (19.7)	3.7 (3.13)
Photax (London)	Dec.	463 (233)	10.9 (8.0)	3.5 (3.04)
Portals Holdings	Dec.	11,002 (9,586)	40.3 (32.2)	11.0 (8.75)
Provident Life	Dec.	955 (854)	18.2 (12.2)	10.2 (8.12)
Rehds (Leister)	Dec.	159 (525)	11.0 (13.4)	4.3 (4.23)
Rehds (Walfin)	Dec.	2,450 (3,030)	14.7 (18.4)	5.23 (5.04)
Rehds (Walfin)	Dec.	1,370 (640)	11.3 (—)	3.5 (2.55)
R.M.C.	Dec.	4,250 (35,551)	34.9 (26.0)	8.25 (6.7)
Rawntree Mch.	Dec.	40,432 (45,070)	29.8 (32.6)	7.25 (6.5)
R.T.Z.	Dec.	452,700 (254,000)	58.4 (40.8)	15.0 (11.5)
Rugby Portland	Dec.	18,111 (14,507)	12.8 (10.4)	4.7 (3.96)
Senior Eng.	Dec.	5,070 (5,090)	8.5 (8.8)	1.5 (1.3)
Sudall (William)	Dec.	218 (421)	10.1 (19.7)	4.5 (4.47)
Smith (W. J.)	Feb.	16,820 (20,190)	16.2 (21.1)	4.2 (2.13)
Studds Chartered	Dec.	158,300 (145,300)	38.4 (47.0)	26.0 (18.2)
S.T.C.	Dec.	83,400 (26,900)	27.5 (21.1)	8.0 (—)
Thariss Sulphur	Dec.	1,370 (1,350)	37.8 (36.1)	12.0 (—)
Wilkins Mitchell	Dec.	7 (339)	4.3 (9.4)	2.21 (1.66)
Wood (Arthur)	Dec.	159 (201)	6.5 (8.7)	1.0 (1.0)
York Trailer	Dec.	895 (1,150)	6.5 (8.0)	1.97 (2.39)

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)	
Gasket (S.)	Dec.	202	(615)	0.5 (0.5)
Forward Tech.	Dec.	1,190	(954)	2.3 (2.0)
Globe	Dec.	30,320	(36,500)	3.5 (3.5)
Kent (M. P.)	Dec.	1,320	(737)	0.5 (0.37)
Linrad	Jan.	122	(107)	1.0 (1.0)
Low (William)	Mar.	929	(923)	2.1 (2.1)
Maidstone Electr.	Dec.	252L	(1,114)	— (—)
Martinair Intl.	Jan.	2,560	(2,510)	1.85 (1.75)
Smiths Industries	Feb.	9,560	(10,980)	3.7 (3.61)

(Figures in parentheses are for corresponding period).  
\* Dividends shown net except where otherwise stated.  
† Adjusted for any intervening scrip issue. ‡ Pre-tax income.  
§ Loss before extraordinary items. ¶ For previous nine months.  
|| Gross and will be subject to Spanish exchange control authority permission. § For 15 months.

## Rights Issue

Rugby Portland Cement: Rights issue on the basis of one-for-four-at 54p per share to raise £12.5m.  
\* Approximate figure before expenses.

## Scrip Issue

L. J. Dewhurst Holdings: One-for-three.

BASE LENDING RATES			
A.B.N. Bank	17 1/2	Hambros Bank	17 1/2
Allied Irish Bank	17 1/2	Hill Samuel	17 1/2
Amro Bank	17 1/2	Hoare & Co.	17 1/2
American Express Bk.	17 1/2	Hongkong & Shanghai	17 1/2
Henry Ansbacher	17 1/2	Industrial Bk. of Scot.	17 1/2
A.P. Bank Ltd.	17 1/2	Keiser Ullmann	17 1/2
Arbutnot Latham	17 1/2	Knowles & Co. Ltd.	17 1/2
Associates' Cap. Corp.	17 1/2	Langris Trust Ltd.	17 1/2
Banco de Bilbao	17 1/2	Lloyds Bank	17 1/2
Bank of Credit & Comm.	17 1/2	Edward Manson & Co.	17 1/2
Bank of Cyprus	17 1/2	Midland Bank	17 1/2
Bank of N.S.W.	17 1/2	Samuel Montagu	17 1/2
Banque Belge Ltd.	17 1/2	Morgan Grenfell	17 1/2
Banque du Rhone et de	17 1/2	National Westminster	17 1/2
la Tamise S.A.	17 1/2	Norwich General Trust	17 1/2
Barclays Bank	17 1/2	P. S. Refson & Co.	17 1/2
Bremer Holdings Ltd.	17 1/2	Rasmussen	17 1/2
Brit. Bank of Mid. East	17 1/2	Ry. Bk. Canada (Ldn.)	17 1/2
Brown Shipley	17 1/2	Schlesinger Limited	17 1/2
Canada Perm. Trust	17 1/2	S. S. Schwab	17 1/2
Cayser Ltd.	17 1/2	Securities Trust Co. Ltd.	17 1/2
Cedar Holdings	17 1/2	Standard Chartered	17 1/2
Charterhouse Japhet	17 1/2	Trade Dev. Bank	17 1/2
Chautauque	17 1/2	Trustee Savings Bank	17 1/2
C. E. Coates	17 1/2	Twentieth Century Bk.	17 1/2
Consolidated Credits	17 1/2	United Bank of Kuwait	17 1/2
Co-operative Bank	17 1/2	Whiteaway Laidlaw	17 1/2
Corinthian Secs.	17 1/2	Williams & Glyn's	17 1/2
The Cyprus Popular Bk.	17 1/2	Worthington Securities Ltd.	17 1/2
Duncan Leavitt	17 1/2	Yorkshire Bank	17 1/2
Eagle Trust	17 1/2		
E. S. Trust Ltd.	17 1/2		
First Nat. Fin. Corp.	17 1/2		
First Nat. Secs. Ltd.	17 1/2		
Robert Fraser	17 1/2		
Antony Gibbs	17 1/2		
Greyhound Guaranty	17 1/2		
Grindlays Bank	17 1/2		
Guinness Mahon	17 1/2		

\* 7-day deposits 15%, 1-month deposits 15 1/2%, 3-month deposits 16%, 6-month deposits 16 1/2%, 12-month deposits 17%.  
† Demand deposits 15%.

## APPOINTMENTS

# New chairman and president for INCO

Mr. Charles F. Baird has been elected chairman and chief executive officer of INCO LIMITED. He has been succeeded as president by Mr. Donald J. Phillips, who was formerly president and chief executive officer of Inco Metals Company. Mr. Walter Curlock has become president and chief executive officer of Inco Metals Company. Mr. J. Edwin Carter has retired as chairman and chief executive officer of Inco Limited and from the Board. Mr. Robert P. Luciano, a director and executive vice-president of Schering-Plough Corporation, has been appointed a director of Inco Limited.

The Prime Minister has appointed Lord Charteris of Amisfield as chairman of the NATIONAL HERITAGE MEMORIAL FUND.

Mr. Allister Young has been appointed a director of CAPPER NEILL INTERNATIONAL (PROCESS).

Mr. T. W. Hall has been appointed a director of OULIER HILTON GOODISON AND CO., stockbrokers.

Mr. Malcolm W. Woodhams has joined the board of GLIKSTEN DOORS as sales and marketing

manager of the BANK OF DIRECTOR, having previously served as sales director on the board of Horsley Smith and Co. Both companies are members of International Timber Corporation.

Mr. J. R. Eades has been appointed chairman of CHAMBERLIN AND HILL following the retirement of Mr. T. Martin.

Lord Raper Nevill has been appointed a director of DAILY MAIL AND GENERAL TRUST.

Mr. J. R. Haspinall, Mr. J. G. Laver and Mr. D. R. Whitewood have been appointed associate directors of BRADSTOCK, BLUNT AND CRAWLEY.

Mr. Stephen T. Banks has been appointed managing director of WELLS FARGO, a merchant banking subsidiary of San Francisco-based Wells Fargo Bank. He succeeds Mr. E. Alan Holroyde, senior vice president, who has returned to San Francisco to take charge of Wells Fargo's global operations division.

The Employment Secretary has appointed Mr. Derek A. Fitzhugh to the board of REMPLY as an executive director from May 1. He will become financial and planning director on the retire-

ment of Mr. Charles Payne at the end of June.

Mr. Barry P. Martin has been appointed to the Board of GRAHAM HOW AND CO. (INSURANCE BROKERS).

Mr. E. W. Osmond, deputy group managing director of the International Paint Company, has been elected president of the PAINTMAKERS ASSOCIATION OF GREAT BRITAIN.

Mr. David J. Archer has been appointed production director at STANDARD AND POCHIN. He was formerly manufacturing manager.

Mr. J. C. Clements has been made chairman and Mr. R. C. Allardice, managing director, of GLANVILL ENTVOVEN (OIL AND ENERGY). Mr. A. E. Holroyd, Mr. P. Kirkman and Mr. J. P. Toomey have become directors. The company is the newly formed subsidiary of Glanvill Entvoeven and Co.

The Prime Minister has approved the appointment of Mr. Trevor Hughes as Permanent Secretary of the Welsh Office. Mr. Hughes will succeed Sir Hywel Evans, who is retiring from the public service in August.

Sir Basil Hall, Her Majesty's Procurator General and Treasury Solicitor, is retiring from public service in September and will be succeeded by Mr. Michael Kerry, solicitor to the Departments of Trade and Industry. Mr. William Beckett will become solicitor, Depart-</



## EXECUTIVE HEALTH

Many companies keep a careful check on their executives' health because illness can lead to work disruption and wrong decisions, but in general, managers enjoy better health than those they employ.

# Keeping key people on top of the job

THE HEALTH hazards which the modern executive faces are so well known and well recorded it is a wonder that anyone volunteers for the job. They have to eat too much, drink too much and spend long hours at their desks or in aeroplanes unable to take any exercise.

On top of that there is the relentless stress which comes with the continual demand for high performance, not to mention the "political" stress of outmanoeuvring their colleagues in the race for promotion.

But in spite of these, real enough, threats to the health and well-being of the modern manager it is patently clear that as a breed they are not dropping like flies. Or, at

any rate, no faster than the rest of the population.

Survey after survey has shown that the idea there is a special occupational hazard to being an executive is a myth. Even executive stress, which of course exists and is undesirable, is no worse than for anyone else in employment or for that matter unemployment.

One of the most classic studies made some time ago at the American telephone giant ATT—Ma Bell—found that people at the bottom of the company who had the highest education were the most stressed because of high expectation and low achievement. At the other end of the scale—the least stressed—were the

poorly educated but successful.

More recent and wider ranging studies conducted both here and in the U.S. confirm that executives tend, if anything to be slightly healthier than those they employ and certainly do not suffer more stress. If they are suffering more it is probably because they are low in the hierarchy and lack authority to make decisions.

So why all the fuss? Obviously if a senior manager dies or becomes incapacitated it can seriously disrupt a company and be a considerable, if unquantifiable, expense. Secondly, there is the also intangible cost of poor decision making by a less than fit manager.

Some form of health care for senior executives at least is widespread among the large and medium sized companies although it may be of the most rudimentary nature. Much of British company practice has lagged behind the U.S. where very high medical costs, and the concomitant insurance costs, have prompted much more action.

Private medical insurance is the most common form of company involvement in an individual's health, but for the most part this is offered as a perk, especially if it includes cover for an individual's family.

Regular medical checks for senior personnel are carried out by the majority of large and medium sized companies although the form in which these are carried out varies greatly.

Some of the most sophisticated checks are carried out by the BUPA medical centre and by the Cavendish Medical Centre, two organisations specialising in health screening. Other companies use their own part or full-time doctor or an outside consultant. A study by the British Institute of Management showed that companies with their own medical adviser were less likely to have a formal check up scheme.

Although the benefits of health screening are both disputed by some sections of the medical profession, companies often see the medical

check-up as more than just a way of detecting potential illness at an early stage. For not only is it a fringe benefit, it implies that the company cares for its senior managers and it raises the individual's awareness of the need to take care of himself.

While a company can take steps to ensure it does not overwork its managers, or cause them to be excessively frustrated, it is the individual who has by far the greatest influence on his own health. The non-smoking, moderate drinking person of moderate weight is least likely to be among the one-third of males who do not live to retirement age.

Jason Crisp

# Fighting fit—except for an ankylosed hallux

I HAVE this toe, you see. The big toe on my left foot, and it has been giving me pain for years. Stubbed and battered on the rugby field years ago, it is now lumpen, inflexible, and it hurts. I took it along to the doctor. "Well," he said, "I suppose you could X-ray it. Have you tried aspirin?"

Since I was there, I mentioned also the slight, nagging worry over two of my Grub Street contemporaries who have developed signs of heart trouble. Journalists, it seems, are prone to such things. Was there any way the National Health Service could provide a check up, just to be sure? "I suppose we can do you a urine test and blood pressure."

That is a full and fair account of my latest visit to an NHS doctor, and I suppose, not untypical. Shortly afterwards, however, I had a chance to view the other side of the coin at the two clinics in

London which specialise in what the layman calls check-ups and what the medical profession calls health screening. There, for a fee of around £100 a time, I was to have my troublesome toe, ticker and all my other components prodded, peered at and scanned with what I took to be the latest in diagnostic aids. Not even my psyche escaped the insistent proddings.

Examinations at both the Cavendish Medical Centre (owned by Debenhams) and the BUPA Clinic followed similar patterns. Weighed in and measured by comfortably unharassed nurses—they work strictly nine-to-five and have the added bonus of 10 per cent more pay than NHS staff—clients are steered gently through the machinery before being delivered to the attentions of the doctors.

The routine delves into ears, eyes, lungs and includes a

chest X-ray (with an extra snap of the abdomen at BUPA) tests on blood, urine, electrocardiography and blood pressure, ending up with a cup of tea, sweet biscuits, a questionnaire and, at BUPA again, a little booklet on the horrors of cholesterol which includes sweet biscuits in its dietary blacklist.

There, as a consumer with a sore toe and no technical knowledge, I could detect little to differentiate between the processes at the two establishments. Possibly the Cavendish was more de luxe and relaxing, although I found BUPA's reading matter easier to digest than the Arabic guides to London scattered in the waiting areas at the Cavendish.

On the other hand, I must say I felt considerably more dignified at the latter establishment, where I padded from test to test in a swanky seersucker robe with slippers, than

at BUPA where I circulated in a clammy synthetic overall and my shoes and socks.

Fewer people, too, at the Cavendish. Staff admit that the clientele has thinned, especially since the number of Arabs visiting London has fallen. At the time of my visit staff were tackling 22 visitors a day and when refurbishment is complete the target is 40. At the much larger BUPA centre the system was more crowded and the waiting longer. This is a result, I gather, of the large amount of business garnered through contracts for screening staff from large companies. At the Cavendish, 55 per cent of customers book in as individuals.

One of the most attractive and comforting features of the clinics was the openness of the nurses and consulting doctors who compensated for the few minor indignities to which a body is subjected by jargon-free explanations of all the test results.

Most of the time, I am happy to report, the doctors find little actually wrong with clients. At the Cavendish, for example, consultants say they discover ailments present in only 5 per cent of cases. "And they are mostly things people never

suspected," a doctor told me. "Businessmen worry about heart disease, but the most common ones we discover are diabetes, unsuspected epilepsy and cancer."

Turning the tables on Dr. Peter Taggart at the Cavendish after my trip through the clinic I learned the main object of screening is not to detect disease but to pick up signs of predisposition to illness. Prime targets, Dr. Taggart told me, are coronary disease in men and cancer in women. "At least one in three of the people we see have some risk factors evident. Generally, nothing serious. They can usually be dealt with simply. If they smoke we scare them. If they are overweight we thin them down."

With a personal interest in stress, Dr. Taggart finds the clinic an ideal place to study. Professional men and women make ideal subjects.

"You cannot measure stress so you cannot produce statistics on it. It is the odd man out in modern medicine. Ask any group of physicians to list the main health risk factors and you will find stress left out. Odd really, since it produces effects comparable with those of exercise."

For example, he says, speaking before an audience can set

the heart pounding at 150 beats a minute—an effect comparable to that of hard sprinting. The significance is that the heart can take only 150 beats; the peak rate achieved on sprinting out of a plane or jumping through the chutes of a 200 mph racing car. "A rate of 150 to 160 is quite enough to precipitate a cardiac accident in a predisposed person," Dr. Taggart warns.

And he has some cautionary words for young executives, unused to regular vigorous exercise, on the perils of taking up such "modish pastimes" as squash. "That is the most lethal game I know. Lethal or not, it certainly gave my big toe the kicking of a time and I quickly discovered hobbling around the court, that although my heart may have been up to it, it certainly was not in it."

At least I now know what is wrong with the wretched thing. As one of my reports put it: "Full physical examination failed to reveal any abnormality in any system other than an ankylosed 'left hallux'." The prognosis, however, is not good. In sum, I was told my options are (1) to live with it, (2) to have it fixed by an engineer surgeon, or (3) to have it off.

Christopher Parkes

# Health farms: fighting the flab at a price

WHETHER said the best things in life are free got it wrong—or so the health experts would have us believe. For good health is increasingly becoming a marketable commodity, with sunbanned over-40s looking at least half their age only too ready to extol the virtues of sensible diet and exercise and put another equally healthy cheque into the experts' accounts.

Despite preliminary qualms about the health business (and admittedly, there are many jumping on the bandwagon with few positive health benefits) one has to admit that people selling you health in reputable establishments have a point. Obviously, in an age of increased leisure a course of exercise and a complementary diet will pay dividends in health terms.

Health farms have the advantage of usually being in quiet country locations, with expert advice on diet and exercise readily on hand and the company of people sharing the determination to fight the flab. Champneys at 17mg, for instance, a health resort for 54 years, has even broken into the holiday market, with 20 per cent of its patrons spending their main holiday there. Clients—Champneys director Tanya Wheway rejects the word patient—come from overseas, too.

Special diet Dieticians, doctors and physical education experts assess your physical and mental make up before choosing a course of exercise and diet, believing each individual's requirements are different. In the usual stay of a week, one can walk, jog, learn yoga, attend lectures on healthy eating, or even go for bicycle rides, and test one's will by starting out the cream cakes in the nearby village cafe. The cost of such a week ranges from £196-£483, depending on the accommodation you choose.

For an average of £320, Champneys is offering from June 3 a new course specifically geared to health and stress problems facing business executives. Subjects covered include: "How to recognise your optimum stress level," "Setting realistic goals," and "Modifying one's lifestyle." A behavioural psychologist will conduct a stress management workshop, showing executives how to eliminate avoidable stresses in life.

Champneys does not claim to lay down the law on what clients should or should not do during their stay. They are free to do what they want with the week, but we hope most will take advantage of the health advice being offered," says Mrs. Wheway. This approach extends

to smoking and drinking for instance. Although frowned upon, the farm boasts a smoking room known by Champneys residents as the Sin Bin. Also half a bottle of wine per person is allowed at dinner.

Grayshott Hall, near Hindhead, Surrey, set in a country estate, offers similar fare. Armed with a diet worked out for the chemical needs of the body, patrons enjoy hydrotherapy, electro-massage, a solarium, yoga, meditation, steam and blanket baths and osteopathy.

While health farms argue that a week in semi-hermitage devoted to feeling fit more than compensates in health terms for the generally high fees charged, health clubs have the advantage that a member can visit his club more or less as often as he wants. One such club in London is Ravelles, which for over 30 years has been instructing people on total fitness. Regularity of exercise, rather than a week's health binge down on the farm, is the club's philosophy. It also encourages members to come to the club's gym to exercise under supervision, claiming that unsupervised exercise can be both dangerous and demoralising.

If you don't want to join the club for a year (this costs about £150 and Ravelles claim a 65 per cent renewal rate), there are shorter courses including dietetic control, a specialised gym instruction programme and saunas. Staff compile an assessment of your physical make-up, taking in such factors as weight distribution, eating habits, bed time and working conditions.

The diet chosen should then relate to the exercise programme, making the food you eat suit your bodily requirements.

Al Murray, manager of the now famous City Gym in London's New Union Street, British Olympic coach for 25 years, instructor of PE instructors and incidentally Champneys instructor, believes there are no real physical training establishments to cater for unfit people. After receiving PE instruction at school, the subject is largely dropped except by those who make a career out of sport or are fitness enthusiasts. One might argue—and Mr. Murray does convincingly—that it is the vast majority excluded from this category who really need instruction in physical fitness.

He claims his gym is about the only such establishment where all the instructors are fully qualified PE teachers. Some of this year's 500 members are on a three or six-month membership in addition to the hardy annuals, but the gym boasts a high renewal rate.

Mr. Murray's enthusiasm for physical education and its benefits is catching, but he had a long and pretty lonely struggle to convince the medical profession of the advantages of protective exercise. About 10-15 per cent of his members are cardiac cases sent to the gym by their doctors to learn a scientific course of exercise for their heart and lungs. Frequency of exercise is important, as is its intensity.

Jayne Gardner

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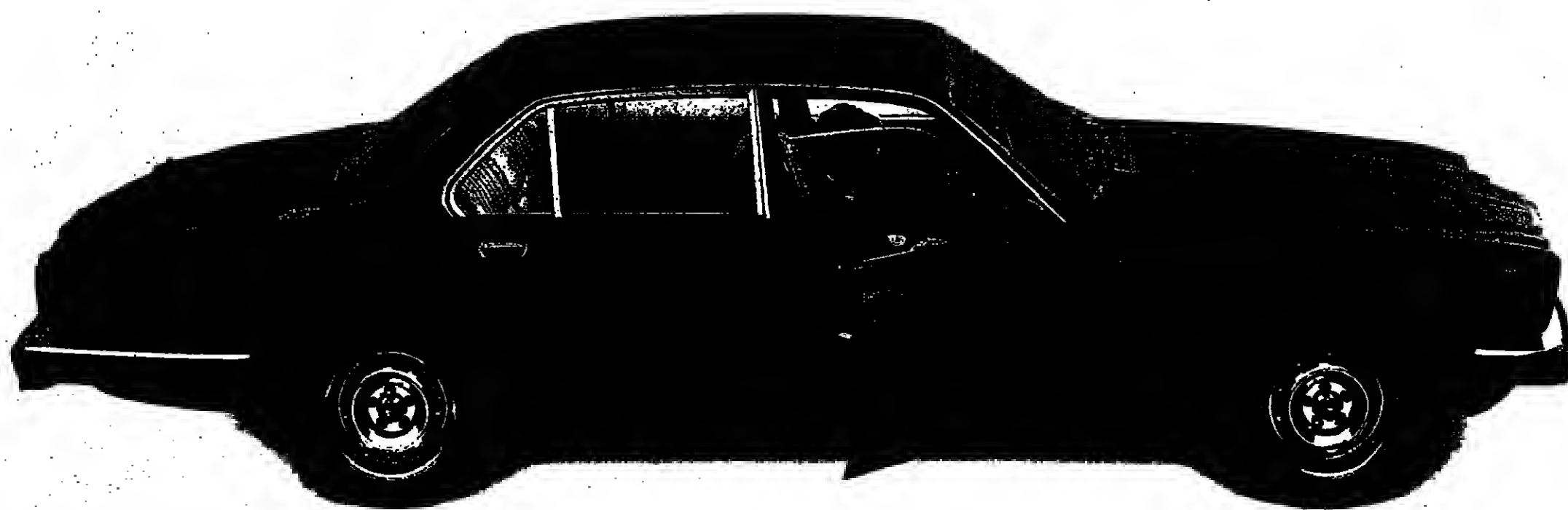
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\*Motor Magazine Jan. 26, 1980.

**JAGUAR XJ12**

**It's a good time to go for the best.**







**BY PAUL BETTS IN MILAN**

electronics sector by a series of agreements, including a joint venture with the U.S. Memorex group, and a double distribution deal involving Hitachi of Japan, and the U.S. IPL concern marketing Olivetti's returns in the medium and large computer markets.

But the Saint-Gobain partnership will now enable Olivetti to strengthen its presence in the telecommunications sector, where it has traditionally been weak, Sig. de Benedetti said.

The French company recently bought a 50 percent stake in Compagnie Des Machines Bull which in turn holds 50 percent of Cii-Honeywell Bull, the French-U.S. computer group. It also has a 51 per cent stake in an integrated circuit plant being built in southern France with National Semiconductor of the U.S.

**By Our Financial Staff**

**FIRST QUARTER** profits of Northern Telecom, principal supplier of telecommunications equipment in Canada, and the world's largest in North America, dropped almost 3 percent despite a 15 per cent increase in revenues.

Earnings were C\$24.25 or 72 cents a share, compared with C\$24.89 or 84 cents a share in the corresponding 1979 period, on revenues of C\$485.5m, against C\$417.1m previously.

**Not earnings** for the whole of 1980, the record C\$119m or C\$3.70 a share.

The earnings downturn was in line with expectations as the company—the manufacturing subsidiary of Bell Canada—had already warned that first and

BY IAN HARGREAVES IN NEW YORK

**KAISER STEEL**, the struggling Californian integrated steel-maker, turned in a \$84.7m net profit for the first quarter, almost entirely because of its sale of a stake in Kaiser Resources of Canada and the proceeds of that deal.

The company's first quarter income of \$12.93 per share compared with profits of just 10 cents a share in the same quarter of last year, but \$74m of the total came from the sale of its 25% stake in Kaiser Resources and from Kaiser Steel's share in Kaiser Resources' gain from selling its Canadian oil and gas activities to Dome Petroleum.

The company would not say how much its steel-making operations had actually turned in a profit in the quarter, having lost money for the previous 14 consecutive quarters.

But Edgar Kaiser, chairman, said that the company had benefited from higher steel prices and improved operating practices at its main works.

The company expects a further large gain from selling its remaining 4.5m shares in Kaiser Resources, which are under offer to British Columbia Resources of Canada.

Kaiser's 1980 net earned \$22m, or \$1.60 a share, compared with \$1.60, or \$1.60 a share in the first quarter, compared with \$20.2m or \$1.51 a share in the corresponding period last year.

Robert Silbness writes in *Montreal Star* that the company is Canada's third largest steel producer and is controlled by the Canadian Pacific group, reports that its backlog of orders is slightly lower than a year earlier.

BY KEVIN DONE IN FRANKFURT

Bayser has also shown a fall of about 3.4 per cent. BASF's popularity on the stock market has brought its price up from DM 129 at the end of 1979 to a close yesterday of DM 142.70. It reached a high for the year so far of DM 150 some weeks ago, however, when speculation over the gas find was at its peak.

The size of the dividend increase announced yesterday surprised the market, and BASF's price was marked up to a close of DM142.7, a gain of DM 2.70 for the day.

The group said yesterday that its after-tax profits last year were DM 619m compared with DM 421m in 1978.

**By Our Financial Staff**

**NET INCOME** of Polaroid, the photographic equipment manufacturer, for the first quarter of the year ended March 31, 1979, has declined almost unchanged at \$17.4m or 53 cents a share against \$17.1m or 52 cents in the same period of 1979. Sales advanced by 16 per cent to \$308.5m...

Mr. William J. McCune, president, said yesterday that the sharp rise in silver prices did not affect the company's first quarter performance because the firm uses silver in its first out method of accounting for stocks. Polaroid is considering the adoption of the last in-first out method.

Demand for the company's new digital switching and transmission systems was significantly greater than expected and has required a sizeable and immediate increase in manufacturing capacity.

Earnings were also affected by higher inflation and interest expense and the weak performance by its Northern Telecom Systems subsidiary. That com-

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## Mixed fortunes for computer companies

By Our New York Staff

AMDAHL, the 10-year-old computer company which first dis-comforted but then was nearly squashed by International Busi-

**The outlook for prices  
in 1980.**

The latest Special Report from Inter Commodities provides an in-depth review of the current status of the coffee market, and forecasts likely trends in prices over the months ahead. Send the coupon below for a complimentary copy and details of our investment services.

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COFFEE

BY OUR FINANCIAL STAFF

compares with a forecast of pre-tax profits of between SwFr 1.8bn and SwFr 1.9bn, and with the SwFr 1.82bn achieved in 1977.

Nestle said yesterday that its profitability had increased due to better capacity utilisation and lower marketing expenses. Pre-tax margins had widened to 9 per cent of sales, up from 8 per cent the year before.

slowly because of higher financing costs and slightly higher fiscal charges. Net profit was 10.4 per cent higher at SwFr 816m, representing 3.73 per cent of sales.

The parent company increased its net profit by about 20 per cent, Nestle said, without disclosing actual figures. The board proposes a dividend of SwFr 75 a share, compared

increased manufacturing costs and start-up costs associated with several new products. Polersold is cautious about the outlook for the remainder of the year, Mr. McCune said, and is planning conservatively because of uncertain economic conditions. Capital expenditures this year will be about \$80m, compared with last year's much higher level of \$135m.

Stocks at the end of the period stood at \$443m, down from the \$512m for the comparable period of 1979 but ahead of the year-end level of

Its net income of \$449,000 compared with the \$135,000 of the same quarter of last year.

But Storage Technology, the computer equipment company which three weeks ago proposed an agreed merger with Amdahl, announced record first quarter income of \$9m on sales of \$124m. Profit rose up 20 per cent and sales 30 per cent.

Mr. Jesse Awaida, chairman of Storage Technology and prospective head of the merged companies, said the company's order book was stronger than it had ever been in the com-

To: Julian Rigby,  
Inter Commodities Ltd.,  
3 Lloyds Avenue, London EC3N 3DS  
Telephc : 01-481 9827

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**INTER COMMODITIES**

I.G. Index Limited 01-351 3466. August Sngar 271.50-273.50  
29 Lamont Road, London SW10 0HS.

1. Tax-free trading on commodity futures.

inclined to respond to "bulbous" news and the announcement of a higher than expected per cent rise in West German first quarter cocoa bean grindings had virtually no impact on prices. Earlier news of a 17.5 per cent drop in U.S. grindings had also been virtually ignored. Sugar values moved higher encouraged by further reports of heavy Russian buying. As a result the London daily price was lifted to £240 a tonne up £7 in the week.

One effect of this rise was to encourage export bids at this week's ECSE sugar export tender. Brussels. After granting contracts on only 1,500 tonnes of white sugar in the previous

was able to shift 89,350 tonnes — the highest total of the current season, Trade sources said exporters had been cautious about export bids in recent weeks but had been encouraged by the rise in the market. The resurgence in export sales came despite a reduction in the level of rebato offered.

The new London arabica coffee market, which opened this week, got off to a fairly quiet start, dealers said. The established robusta market was

	a.m.	+ or -	p.m.	+ or -
	£	£	£	£
Wirebars				
353-9	£		930.0	£
353-8	£		956.7	£
353-6	£	+		£
353-2	£	+		£
353-1	£	+		£
353-0	£	+		£
352-9	£	+		£
352-8	£	+		£
352-7	£	+		£
352-6	£	+		£
352-5	£	+		£
352-4	£	+		£
352-3	£	+		£
352-2	£	+		£
352-1	£	+		£
352-0	£	+		£
351-9	£	+		£
351-8	£	+		£
351-7	£	+		£
351-6	£	+		£
351-5	£	+		£
351-4	£	+		£
351-3	£	+		£
351-2	£	+		£
351-1	£	+		£
351-0	£	+		£
350-9	£	+		£
350-8	£	+		£
350-7	£	+		£
350-6	£	+		£
350-5	£	+		£
350-4	£	+		£
350-3	£	+		£
350-2	£	+		£
350-1	£	+		£
350-0	£	+		£
349-9	£	+		£
349-8	£	+		£
349-7	£	+		£
349-6	£	+		£
349-5	£	+		£
349-4	£	+		£
349-3	£	+		£
349-2	£	+		£
349-1	£	+		£
349-0	£	+		£
348-9	£	+		£
348-8	£	+		£
348-7	£	+		£
348-6	£	+		£
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346-0	£	+		£
345-9	£	+		£
345-8	£	+		£
345-7	£	+		£
345-6	£	+		£
345-5	£	+		£
345-4	£	+		£
345-3	£	+		£
345-2	£	+		£
345-1	£	+		£
345-0	£	+		£
344-9	£	+		£
344-8	£	+		£
344-7	£	+		£
344-6	£	+		£
344-5	£	+		£
344-4	£	+		£
344-3	£	+		£
344-2	£	+		£
344-1	£	+		£
344-0	£	+		£
343-9	£	+		£
343-8	£	+		£
343-7	£	+		£
343-6	£	+		£
343-5	£	+		£
343-4	£	+		£
343-3	£	+		£
343-2	£	+		£
343-1	£	+		£
343-0	£	+		£
342-9	£	+		£
342-8				

Alum'n'm	a.m. Official	+or Unoffic'l	p.m. Unoffic'l	+or Unoffic'l				
Spot.....	279.80	£	1 872.4	£				
1 month.....	257.4	-7.25	850.1	-5				
Months 23.35, 34.30, 29.30, 29.30, 30.5, 31.								
20, 31, 32, 32, 32, 31, 31, 30.5:								
Kerb:								
Three months 2334, 32, 31, 32:								
Kerb:								
Three buying interest which lifted for-								
ward metal from £270 on the pie-								
ce to £230 by the end of the								
afternoon Kerb. Turnover: 548 tonnes.								
NICKEL	a.m. Official	+or Unoffic'l	p.m. Unoffic'l	+or Unoffic'l				
Spot.....	2680.5	-28.5	9705.15	+18				
1 month.....	2700.5	-7.5	2310.20	+2.3				
Morning: Cash £2,680, 28.5, three								
months 2700, 2700, 2700, 75, 90, 5								
Kerb: Cash £2,680, 28.5, three								
months £2,680, 28.5, 28.5, 28.5,								
Kerb: Three months £2,680, 28.5,								
Kerb: Cash for pound £2.8M per pl-								
on. Previous unofficial close.								

[illegible]

# AMERICAN MARKETS

**NEW YORK, April 17.**

**HEAVY LIVESTOCK** marketings and expectations of the aggressive retail promotions resulted in a sharp drop-off at seaboard. Grease and soybeans declined further. Precious metals and copper were higher after short-cavorting ahead of President Carter's conference. Sugar buying was attracted by impours of Soviet purchases. Cotton decline moderately on strong sterling arbitrage. Cocoa moved over a narrow range while wheat and grain was off sharply, reported Henwood.

Cocoa—May 128.25 (127.70), June 126.20 (126.70), Sept. 129.30. Oct. 28.65, March 24.85, May —, July —.

Coffee—"C" Contract: May 184.40-184.90 (184.83), July 192.40-192.70 (192.61). Sept. 188.90-189.85, May 181.10-181.75, March 183.75-183.95, May 185.98-188.00, July 188.50, Sept. 190.40, Dec. 5.55.

Copper—April -88.90 (88.30), May 87.90-90.80 (89.20), June 91.20, Sept. 92.50-92.80, Sept. 95.20, Oct. 95.20, Nov. 92.70-97.50, Jan. 96.10, March 98.90, May 100.50, July 102.10, Sept. 103.00, Oct. 103.50, Jan. 108.20, Sept. 7.00.

Cotton—No. 2: May 85.05-85.35 (85.10), June 81.42-82.42, Sept. 77.70-78.10, Dec. 73.30-73.80, March —.

Closing prices were not available for this edition.

Hamm bullion spot 1405.00 (1479.00).  
Sugar—No. 11: May 23.80-23.85 (23.80), June 23.70-23.75 (23.71), Sept. 25.00-25.03, Oct. 25.32-25.26, Nov. 25.90-26.20, March 26.80-28.54, May 26.85-28.87, July 27.00-27.15, Sept. 27.25-27.37, Oct. 27.10-27.15.  
Tin—805.00-810.00 asked [805.00-815.00].

**CHICAGO, April 17.**

Lard—Chicago lease 18.75 (excl.). New York futures start 18.75 (excl.). Live Cattle—April 65.00-65.10 (65.15), June 64.05 (65.52), Aug. 64.00-64.16, Oct. 63.50-64.00, Dec. 63.55-64.10, Jan. 64.30, Feb. 65.00-65.20.

Live Hogs—April 25.30-26.70 (26.65), June 33.60-33.80 (33.05), July 35.25-35.50, Sept. 35.50-35.75, Oct. 35.50-35.75, Nov. 39.12-39.15, Feb. 41.75, April 41.50, June 44.00.

Soyabake—May 267-267+ (268½), July 268-270+ (272¼), Sept. 283½-290, Dec. 295-294¾, March 306-306½, May 312¾-312¾.

Pork Sallies—May 31.55 (33.55), July 32.90-32.90 (34.90), Aug. 32.35-32.35, Feb. 46.25-46.30, March 48.50, May 46.25-46.30.

Silver—April 1420.0 (1430.0), May — (—), June 1455.0 (Aug. 1498.0), July 1455.0 (Oct. 1584.0), Feb. —, April 1668.0, June 1668.0, Sept. 1784.0, Dec. 1838.0, Oct. 1836.0, Feb. 1877.0, April 1518.0, June 1959.0, Aug. 1959.0.

Soybeans—May 595½-596 (603½), July 620½-621½ (629½), Aug. 632, Sept. 632, Oct. 656½-657½, Jan. 670, Feb. 689, May 703.

5710	2810	815	5760	70
\$1,540.00	1700	2220	5770	100
33,000.00	50,335	33,000	5880	150
5304	51,372	2350	5890	200
5390.5	51,275.5	2355.5	5905	250
5891	51,312	2355.5	5920	300
5897.5	51,245.5	2360	5935	350
5923.16	52,386	2475	5950	400
5926	5273	2475	5965	450
5927.5	52,710	2480	5980	500
5970	52,477	2480	5995	550
2555.65	515,544	90,175.10	6010	600
5976	52,477	2480	6025	650
5981.3	52,455	2484.50	6040	700
5987.77	54,000	51,875	6055	750
5988.89	50,185.05	2484.50	6070	800
5990	51,260	2484.50	6085	850
5997	51,470	2484.50	6100	900
5997.16	52,358	2484.50	6115	950
6002.62	52,358	2484.50	6130	1000
6008.08	51,771.61	2484.50	6145	1050
6013.54	51,771.61	2484.50	6160	1100
6019	5200	2501	6175	1150
6024.46	5200	2501	6190	1200
6030	5200	2501	6205	1250
6035.92	5200	2501	6220	1300
6041.38	5200	2501	6235	1350
6046.84	5200	2501	6250	1400
6052.30	5200	2501	6265	1450
6057.76	5200	2501	6280	1500
6063.22	5200	2501	6295	1550
6068.68	5200	2501	6310	1600
6074.14	5200	2501	6325	1650
6079.60	5200	2501	6340	1700
6085.06	5200	2501	6355	1750
6090.52	5200	2501	6370	1800
6095.98	5200	2501	6385	1850
6101.44	5200	2501	6400	1900
6106.90	5200	2501	6415	1950
6112.36	5200	2501	6430	2000
6117.82	5200	2501	6445	2050
6123.28	5200	2501	6460	2100
6128.74	5200	2501	6475	2150
6134.20	5200	2501	6490	2200
6139.66	5200	2501	6505	2250
6145.12	5200	2501	6520	2300
6150.58	5200	2501	6535	2350
6156.04	5200	2501	6550	2400
6161.50	5200	2501	6565	2450
6166.96	5200	2501	6580	2500
6172.42	5200	2501	6595	2550
6177.88	5200	2501	6610	2600
6183.34	5200	2501	6625	2650
6188.80	5200	2501	6640	2700
6194.26	5200	2501	6655	2750
6199.72	5200	2501	6670	2800
6205.18	5200	2501	6685	2850
6210.64	5200	2501	6700	2900
6216.10	5200	2501	6715	2950
6221.56	5200	2501	6730	3000
6227.02	5200	2501	6745	3050
6232.48	5200	2501	6760	3100
6237.94	5200	2501	6775	3150
6243.40	5200	2501	6790	3200
6248.86	5200	2501	6805	3250
6254.32	5200	2501	6820	3300
6259.78	5200	2501	6835	3350
6265.24	5200	2501	6850	3400
6270.70	5200	2501	6865	3450
6276.16	5200	2501	6880	3500
6281.62	5200	2501	6895	3550
6287.08	5200	2501	6910	3600
6292.54	5200	2501	6925	3650
6298.00	5200	2501	6940	3700
6303.46	5200	2501	6955	3750

Department of Agriculture in prospective plantings reported last week said that farmers planned to raise plantings of maize (corn) this year by 7 to 20 per cent more than the 1978 figure which produced a record crop. All wheat plantings are forecast to rise by 11 per cent and the soyabean acreage is predicted to be only one per cent below last year's. The forecast comes despite the U.S. embargo on grain sales to the Soviet Union, and news this week that Brazil is harvesting a record soyabean crop of over 15 million tonnes.

Recession fears brought a sharp setback for copper on the London Metal Exchange this week. Despite continuing apprehension about the growing confrontation between the U.S. and Iran, copper cash wirebars closed last night \$43.50 lower in a week at \$391 a tonne.

Prices rallied slightly on forecasts of a small rise in warehouse stocks of copper, after four weeks of successive decreases. The cuts in U.S. interest rates were seen as encouraging to stimulate demand for other metals tended to

[illegible]

SELLER or spot contract	Auction + or thru price	L.M.E. p-m- Unofficial	For order
May	535.50-7.5	537.30 -5	
June	701.90-14.3	699.50	
Months	701.90-14.3		
.....	.....	.....	.....

L.M.E.—Turnover 154 (102) lots of 100 cwt. each. Morning: Three months 700, 75. Three months 670, 65, 63, 2, 59, 85. Kerbs: Three months 670, 65, 63, 2, 59, 85. Kerbs: Three months 670, 65, 63, 2, 59, 85.

## COCOA

In an active market futures eased sharply and closed at the contract high. Futures remained aligned with consumers took full advantage of the dip and futures had cocoa beans and products, graded acccens, reports ill and difficult.

	Yesterday + or Close	Business
May	1275.75 -8.10	1315-1270
June	1280.91 -8.80	1340-1280
July	1304.58 -9.35	1387-1300
Oct.	1375.75 -8.10	1419-1375
March	1409.11 -9.20	1451-1406
May	1409.56 -13.0	1444-1406
.....	1409.56 -10.3	1438

Sales: 4,253 (2,071) lots of 100 cwt.

## COFFEE

Robusta opened around unchanged it followed the recent consolidation pattern then prices fluctuating in poor session. In the afternoon prices deteriorated slightly under trade pressure. All producers orientated buying, prompted a sharp rally towards the close with values settling just off their daily highs. Reports Dried Sumatra market.

	Yesterday + or Close	Business
--	-------------------------	----------

The London physical market opened steady with little interest throughout the day, closing on an idle note.

Available for export—A Malaysian (down) price of \$23 (327) cents a kg (buy, May).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
May	88.88-87.00	87.25-87.41	
June	88.10-88.29	87.13-87.29	88.50-88.00
July	87.75-87.50	87.17-87.13	78.50-78.00
Aug.	87.12-87.14	78.70-78.76	78.50-78.50
Sept.	87.12-87.14	78.70-78.76	78.50-78.50
Oct.-Mar.	77.44-77.29	78.70-78.76	77.50-77.50
April	88.10-88.29	87.13-87.29	88.50
May	88.10-88.29	87.13-87.29	88.50
June	88.10-88.29	87.13-87.29	88.50
July	88.10-88.29	87.13-87.29	88.50
Aug.	88.10-88.29	87.13-87.29	88.50
Sept.	88.10-88.29	87.13-87.29	88.50
Oct.-Mar.	88.10-88.29	87.13-87.29	88.50
April	88.10-88.29	87.13-87.29	88.50
May	88.10-88.29	87.13-87.29	88.50
June	88.10-88.29	87.13-87.29	88.50
July	88.10-88.29	87.13-87.29	88.50
Aug.	88.10-88.29	87.13-87.29	88.50
Sept.	88.10-88.29	87.13-87.29	88.50
Oct.-Mar.	88.10-88.29	87.13-87.29	88.50
April	88.10-88.29	87.13-87.29	88.50
May	88.10-88.29	87.13-87.29	88.50
June	88.10-88.29	87.13-87.29	88.50
July	88.10-88.29	87.13-87.29	88.50
Aug.	88.10-88.29	87.13-87.29	88.50
Sept.	88.10-88.29	87.13-87.29	88.50
Oct.-Mar.	88.10-88.29	87.13-87.29	88.50
April	88.10-88.29	87.13-87.29	88.50
May	88.10-88.29	87.13-87.29	88.50
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Aug.	88.10-88.29	87.13-87.29	88.50
Sept.	88.10-88.29	87.13-87.29	88.50
Oct.-Mar.	88.10-88.29	87.13-87.29	88.50
April	88.10-88.29	87.13-87.29	88.50
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Aug.	88.10-88.29	87.13-87.29	88.50
Sept.	88.10-88.29	87.13-87.29	88.50
Oct.-Mar.	88.10-88.29	87.13-87.29	88.50
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Aug.	88.10-88.29	87.13-87.29	88.50
Sept.	88.10-88.29	87.13-87.29	88.50
Oct.-Mar.	88.10-88.29	87.13-87.29	88.50
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May	88.10-88.29	87.13-87.29	88.50
June	88.10-88.29	87.13-87.29	88.50
July	88.10-88.29	87.13-87.29	88.50
Aug.	88.10-88.29	87.13-87.29	88.50
Sept.	88.10-88.29	87.13-87.29	88.50
Oct.-Mar.	88.10-88.29	87.13-87.29	88.50
April	88.10-88.29	87.13-87.29	88.50
May	88.10-88.29	87.13-87.29	88.50
June	88.10-88.29	87.13-87.29	88.50
July	88.10-88.29	87.13-87.29	88.50
Aug.	88.10-88.29	87.13-87.29	88.50
Sept.	88.10-88.29	87.13-87.29	88.50
Oct.-Mar.	88.10-88.29	87.13-87.29	88

74.40,	May 75.40-75.75,	July 78.25	Aug. 1951,	Oct. 177.50-78.00,	Aug. 1951,
78.80,	Oct. 77.50-78.00,	Sales: 7,550	180.00,	Sept. 177.50-78.00,	Oct. 180.25
79.00,	April 51.0-51.125 (508.0)	May 51.0 (508.5),	June 51.0-52.5,	May 180.25	Aug. 180.25
333.5-335.0-336.0,	Oct. 551.0,	Oct. 564.7,			
Feb. 578.8,	April 592.1,	June 605.8,			
Aug. 619.0,	Oct. 622.6	Oct. 645.1,			
Feb. 659.5,	Sales: 18,000.				
Orange Juice—May 69.90 (50.85),					
Sept. 59.20 (91.70),	Nov. 81.50,	Nov. 82.00,			
Dec. 82.40,	Jan. 82.25,	March 83.90,			
Apr. 84.00-84.40,	July 84.90,	Aug. 85.00,			
Oct. 85.20-86.00,	Sales 100.				
Peanut (rand white)—May 48.3-					
48.8 (47.8),	Nov. 73.1-73.2 (57.8),	Dec. 73.0,			
Sales: 220.					
Unseasoned—July 57.0-57.50 (57.0),					
May unseasoned (unseasoned),	June 57.0-	57.50,			
July 59.0-59.60,	Oct. 617.0-	617.50,			
Aug. 646.0,	Jan. 646.0,	April 672.0,			
Unseasoned—April 1420.0 (1420.0),	May	1420.0,			
May 1425.0-1425.5 (1425.0),	June 1433.0,	July 1433.0,			
Aug. 1430.5,	Sept. 1525.0,	Oct. 1585.3,			
Nov. 1480.5,	March 1649.5,	May 1682.5,			
July 1735.5,	Sept. 1845.5,	Oct. 1845.5,			
Nov. 1864.5,					

61p	90p	64.80p
1188	2316	2204
5525	2886	2882
294	1287	2154
2172	2221	2302
125p	180p	132p
78p	54p	00p
287p kilo	308p kilo	270p kilo

(t) June. (w). May/June.  
 (v) July.

Following the downtrend in copper, Russian lead rose £19 to £440 a tonne, despite rumours of renewed Russian buying interest. Russian zinc fell by £29 to £317 a tonne as the squeeze on nearby supplies eased. In contrast, cast iron gained ground as shortage immediately available supplies developed, but the three months quotation ended the week lower after wild fluctuations.

15, 18, three months \$326, 28, 25.  
 19, three months \$325, 24, 23.  
**ALUMINIUM—Eraso.** Forward metal  
 was sharply from \$330 to \$340 during  
 the morning following persistent de-  
 mand and the absence of any selling.  
 The upward movement was not in line  
 with the general movement of the  
 warehouse stocks. However, the  
 afternoon heavy speculative selling was  
 very partly met by trade buying interest  
 three months libback to close the  
 day. Kert's \$330, although demand for  
 cash metal widened the backwardness  
 around \$40. Turnover, 2,325 tonnes.  
**Morning:** Cash 378, 79, three months  
 39, 40, 39, 37, 38. Kert: Three months  
 38. Afternoon: Cash 387, three

	£ per tonne
May	1644.46 + 15.01846-SB
July	1685.58 + 15.01910-SB
Aug.	1782.85 + 17.01220-11
Oct./Nov.	1272.29 + 13.61755-10
January	1712.16 + 15.51680-70
March	1671.73 + 12.01876
May	1666.90 - 11.8

Sales: 2,118 (2,651) lots of 6 tonnes.

ICES indicator prices for April '88

	£ 5. cente. per pound	Other Mid
Robustes 183.00 (same).	Robustes ICA	
78 185.50 (183.00).	ICA 1988 185.75	
63.25).	Unwashed Arabica 210.50	
11.00).	Comp. dist. ICA 1988 189.29	

business, sales) New Zealand cents  
per kilo. May 357, 362, nr; Aug. 340,  
344, 375, 376-378; Oct. 374, 380, 380,  
1. nil; Dec. 374, 380, nil; Jan. 380,  
385, 386, nil; March 383, 390, 385;  
May 385, 390, 385; 1. Aug. 383, 405,  
405, 405, 405, 405, 405, 405, 405,  
4. nil; Dec. 385, 405, 405, 405, 405,  
1. nil; Sales 5.

**SYNTHETIC GREASY WOODS** Closes (in  
contract buyer, seller, business) May  
Australian cents per pound. May  
480.0, 450.0, 450.0-447.0, 35; July 482.0,  
483.0, 485.0-485.0, 172; Oct. 487.0,  
488.0, 488.0-488.5, 31; Dec. 488.0, 488.0,  
490.0-486.0, 88; Mer. 472.0, 474.0,  
475.0-476.5, 1; May 474.0, 479.0, —,  
482.0, 480.0, 482.0, 482.0-480.0, 8; Oct.  
479.0, 480.0, — Sales 331.

[illegible]



## UK NEWS

## Amoco market bid may lead to cheaper petrol

BY SUE CAMERON

PROSPECTS of cheaper petrol have been raised with the announcement that the U.S.-based Amoco is starting a major drive to increase its market share.

The company is launching a film advertising campaign next week in preparation for the extra petrol it will have in 1981. A £100m catalytic cracker unit being installed at its Milford Haven refinery is expected to provide it with three times as much petrol as at present.

Its share of the UK petrol market was 2.4 per cent last year. This year Amoco, which

has 312 retail outlets, hopes to have 3.8 per cent. But it plans to increase its petrol stations to about 400 and push its market share above 5 per cent by 1985.

Amoco said it did not intend to start price cutting at the pumps. But it admitted it would sell at the most competitive prices in local areas — most of its outlets are "along the London to Liverpool corridor."

Five other petrol companies, including Texaco and Mobil, are putting in new units which will increase their refineries' petrol output.

The Motor Agents Association said it was fair to assume that a petrol supply increase would lead to lower prices at the pumps.

Amoco has 40 company-managed petrol stations. Most other outlets are tenanted. It said it had no plans to switch tenancies into licences, as Esso is doing.

Amoco said there was little hope of high growth in the UK petrol market in the next few years. It was hoping to win business from other companies. It is though petrol sales will increase by only some 2 per cent this year, possibly less.

## Cut-price repairs 'may damage roads'

BY LYNDON MCALIN

THE CONDITION of the roads in England and Wales is not getting worse despite a cut of £100m in spending in the past 10 years, according to a national survey of road defects published yesterday.

The Transport Department's national survey for 1979 on road maintenance shows that, for the first time since work started four years ago, it is possible to identify trends about the conditions of all roads in England and Wales.

Despite the general conclusion that the roads are not getting worse, the report shows recent cuts in spending on maintenance may lead to problems. These cuts may have led to cheaper repairs being carried out which will not last.

These cheaper repairs "could be obscuring some defects which may be reflected in later results," the report says. This suggests that future reports will show a deterioration in standards.

The survey classifies measures and monitors 10 types of road defect and four defects on kerbs and footpaths.

Only some of these problems are apparent to drivers. Some of the more important defects are symptoms of a "deep-seated" weakness. This would eventually lead to deterioration of the structure if not remedied.

The report says this is a "most important concept." The road maintenance engineer cannot be expected to be concerned only with major problems that require immediate attention. "That is leaving things too late."

Highway authorities would be obliged to close any road that was inherently unsafe. The report is expected to have an important bearing on the future direction of Government funds for road building maintenance. New projects may be at risk if future reports show that maintenance has to be a priority.

## 'A lesson for all directors'

BY ERIC SHORT

MR. RON ARTUS, joint chief investment manager of the Prudential, yesterday said the lesson of the Newman Industries case was that directors who had difficulty in separating their own interests from that of their company could not assume they had only a weak and acquiescent body of shareholders to deal with.

Mr. Artus said at the annual investment conference of Vanbrugh Ltd, a Pru subsidiary, that Pru held over 5

per cent of the equity in about 230 companies. This created a responsibility to be a constructive and vigilant member of these companies.

It was the Pru, holding 5 per cent of the equity of Newman, which recently brought a successful legal action against Mr. Alan Bartlett, chairman of Newman and Mr. John Loughton, the vice-chairman, over an acquisition in which the two men had placed personal interests against the interests of Newman shareholders.

## Number of immigrants accepted down 4%

THE UK accepted 4 per cent fewer people of foreign origin as permanent residents last year, according to Home Office immigration statistics released yesterday.

The number of Commonwealth citizens and foreign nationals admitted as residents or given permanent resident status after working in the country for some years fell to 69,650, roughly the same as in 1977.

Most allowed in as permanent residents will be granted full UK citizenship later as a matter of course.

More work permit holders and dependants were admitted but the increase was among people taking employment of less than 12 months.

The number of people admitted on 12-month work permits (the maximum allowable on a single permit) fell from 5,400 in 1978 to 5,150.

In future, permits will only be granted for jobs which cannot be filled by British people. Resident permits issued to EEC nationals wishing to remain for longer than the maximum six months also increased slightly to 8,450 (8,177 in 1978).

Last year 585 people were reported as illegal immigrants under the 1971 Immigration Act, compared with 538 in 1978. This was the sixth successive annual rise.

Of those deported, 255 were Commonwealth citizens (262 in 1978) and 330 were foreign nationals (275).

Control of Immigration Statistics, United Kingdom 1979, HMSO Command 7875, price £4.25.

## Japan video deal upsets Philips

By Elaine Williams

PHILIPS, the Dutch electronics group, has expressed disappointment that Thorn EMI has chosen to support the development of Japanese video disc system rather than a European one.

Thorn EMI said on Thursday that it intended to manufacture both video discs and players in the UK following an agreement to co-operate with the Victor Company of Japan (JVC).

Philips says Thorn EMI has been the only major European company to opt for a Japanese design.

It has been having talks with Thorn EMI for several months over the support of its own video disc system and Philips is disappointed that Thorn EMI has committed itself to JVC.

Philips is negotiating with other companies to try to persuade them to take up licences to make video discs and players.

The three main companies involved in the design of video disc systems, RCA, Philips and JVC need the support of other companies to market the systems effectively.

But Philips says that Grundig, Hitachi and Mitsubishi are among companies favouring its system, which uses a laser as a pickup. Others, including Sanyo, Sharp, Toshiba and Pioneer are also considering a laser-based system.

## Whitbread book awards

THE value of the Whitbread Literary Awards, which are 10 years old this year, is to be increased from £4,500 to £10,000. A new category, the Whitbread Book of the Year, is to be introduced.

Winning authors in the three categories — best novel, best biography or autobiography, and best children's book — will each receive £2,500. The author of the Book of the Year, chosen by the judges from the three winners, will receive a further £2,500.

The awards are open to authors of books published between October 30, 1979 and November 3, 1980 who have been resident in the UK since January 1, 1975 or earlier.

Entries must be submitted through publishers to The Booksellers Association, 154, Buckingham Palace Road, London SW1.

## BRITISH FUNDS (537)

30c British Transport plc 1979-80 50.00	30c British Transport plc 1979-80 50.00
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## Stock Exchange dealings

Thursday, April 17	16,950
Wednesday, April 16	16,642
Tuesday, April 15	16,172
Monday, April 14	15,675
Friday, April 11	13,076
Thursday, April 10	7,843

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessary in order of execution, and only one bargain in any one security at any one price is recorded.

Bargains at Special Prices. A Bargain done by or between non-members of the Stock Exchange, or a Bargain done with members of a recognised Stock Exchange, or a Bargain done for delayed delivery or "no buying-in."

SA—Australian; SB—Burmese; SC—Canadian; SD—Chinese; SE—Danish; SF—Dutch; SG—French; SH—German; SI—Italian; SJ—Japanese; SK—Korean; SL—Norwegian; SM—Portuguese; SN—Spanish; SO—Swedish; SP—Swiss; SQ—Turkish; SR—United States; SS—South African; ST—South American; SU—Swedish; SV—Swedish; SW—Swedish.

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## Financial Times Saturday April 19 1980

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table with multiple columns listing various unit trusts, their managers, and performance data. Includes sections for 'S.E. ACTIVITY' and 'OWS FOR 1980'.

Table listing various unit trusts and their managers, including details on assets and performance.

Table listing various unit trusts and their managers, including details on assets and performance.

Table listing various unit trusts and their managers, including details on assets and performance.

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